FirstCaribbean International Bank

GET THERE. TOGETHER.

ANNUAL REPORT 2009

FirstCaribbean International Bank is a member of the CIBC Group.

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Corporate Profile

FirstCaribbean International Bank is a relationship bank offering a full range of market-leading financial services in Corporate Banking, Investment Banking, Treasury Sales and Trading, Retail Banking, Wealth Management, and Credit Cards. We are located in 17 countries around the Caribbean, providing the banking services that matter to our customers through 3,400 employees, in 100 branches and offices. We are the largest, regionally-listed financial services institution in the English- and Dutch-speaking Caribbean, with over US$10.5 billion in assets and market capitalisation of US$2.0 billion.

Our Vision:
To be the Caribbean's number one financial services institution:
- First for Customers – Helping our clients reach their financial goals
- First for Employees – Creating an environment where our employees can excel
- First for our Communities – Making a difference in the communities in which we operate
- First for Shareholders – Generating strong returns for our shareholders

Our Mission:
To be the Bank of first choice for customers in the Caribbean, leading the region in building quality relationships with our clients, by providing them with innovative banking solutions to suit their needs.

Our Strategic Imperative:
To build long-lasting client relationships by focusing on five key strategic priorities:
- Enhancing Customer Value by deepening customer relationships
- Diversification of our income streams
- Balance Sheet Management to optimise returns
- Improved Productivity and Control to improve the speed and quality of service to our customers
- Leveraging our relationship with our parent, CIBC, to provide our customers with the benefits of being a member of the CIBC group

Customers:
Retail and Wealth Management focused on building and enhancing customer relationships through a series of customer service, product, and channel enhancements. In 2009, we launched a new consumer deposit product suite that provides customers with banking solutions designed to meet their needs. We also launched our suite of consumer credit card products in Curaçao and rolled out our new British Airways Visa Platinum Credit Card into the markets served by British Airways. During the year, we substantially improved our Internet Banking service and increased the number of companies signed up for our bill payment services.

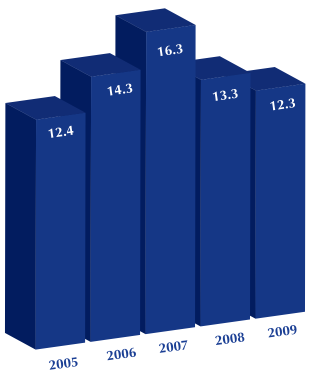
Corporate Investment Banking (CIB) realigned its business and adopted a team approach for customer coverage, designed to integrate the sales and service functions to provide seamless and high quality service to Corporate, International Corporate and Investment Banking customers. With a focus on deepening our relationships with our clients, we are developing innovative solutions to assist in adapting to the economic slowdown. We also introduced dedicated Client Services Teams for every mid-market client. With this new approach Relationship Managers have more time to address solution delivery for clients and transaction requests.

Employees:
FirstCaribbean's commitment to building employee competence and promoting talent and leadership development continued through a series of learning opportunities offered to its employees regionally. The investment in training met through the FirstCaribbean University included leadership, personal development, core banking and systems training.

There was also a fifty per cent increase in the number of managers accredited under the Leadership Essentials Programme. There was also a continued focus on both Retail and Corporate segments, with the introduction of new training programmes that met a critical business need and were attended by with over 400 persons in eight territories.

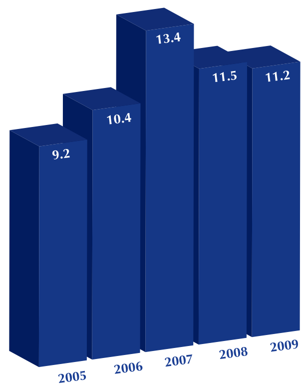
Shareholders:
We continue to maintain strong capital ratios, with Tier I Capital ratio at 19% and Tier I & Tier II Capital ratio at 22% at the end of 2009. Also in 2009, we paid total dividends to our shareholders of US$0.06 per share which were consistent with 2008 and delivered a return on equity of 12.3%.

Financial Highlights 2009



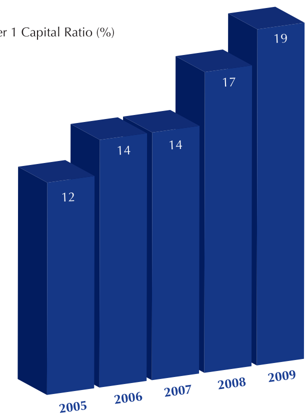
(1) 2005 excludes gain on sale of Republic Bank Limited shares of $117 million
(2) 2007 excludes VISA gains of $52 million

ROE was 12.3% in 2009 compared to 13.3% in 2008. ROE is a key measure of profitability. It is calculated as net income expressed as a percentage of average total equity.



(1) 2005 excludes gain on sale of Republic Bank Limited shares of $117 million
(2) 2007 excludes VISA gains of $52 million

Basic EPS in 2009 was 11.2 cents per share compared to 11.5 cents per share in 2008. Basic EPS is a measure of net income attributable to the parent divided by the weighted-average number of common shares net of treasury shares.



FirstCaribbean's Tier I Capital ratio was 19% in 2009 compared with 17% in 2008. The Tier I Capital ratio is calculated by dividing Tier I Capital by risk-weighted assets.

$ millions, except per share amounts, as at or for the year ended October 31		2009	2008	2007**	2006	2005*
Common share information						
Per share	- basic earnings	11.2	11.5	16.8	10.4	16.7
	- diluted earnings	11.2	11.5	16.8	10.4	16.7
Share price	- closing	1.34	1.64	1.94	1.83	2.05
Shares outstanding (thousands)	- end of period	1,525,177	1,525,177	1,525,177	1,525,177	1,525,177
Market capitalisation		2,044	2,501	2,959	2,791	3,127
Value measures						
Price to earnings multiple		12.0	14.3	11.5	17.6	12.3
Dividend yield		4.5%	3.7%	3.2%	2.9%	2.1%
Dividend payout ratio		53.6%	52.2%	37.2%	50.5%	25.4%
Financial results						
Total revenue		568	551	606	492	543
Loan loss impairment expense		43	32	17	10	7
Operating expenses		320	314	302	295	262
Net income		175	180	261	164	260
Financial measures						
Efficiency ratio		56.3%	57.0%	49.8%	60.0%	48.3%
Return on equity		12.3%	13.3%	20.4%	14.3%	22.6%
Net interest margin		4.0%	4.0%	3.7%	3.7%	3.4%
Balance sheet information						
Loans and advances to customers		6,905	6,814	6,080	5,631	4,631
Total assets		10,503	10,940	11,856	11,422	9,573
Deposits & other borrowed funds		8,697	9,220	10,034	9,871	7,772
Debt issued		125	239	274	200	200
Total equity		1,519	1,336	1,361	1,199	1,100
Balance sheet quality measures						
Common equity to risk weighted assets		25%	21%	22%	19%	22%
Risk weighted assets		6,124	6,472	6,300	6,379	4,911
Tier I capital ratio		19%	17%	14%	14%	12%
Tier I and II capital ratio		22%	20%	17%	17%	16%
Other information						
Full time equivalent employees		3,452	3,541	3,538	3,432	3,370

* 2005 includes gain on sale of Republic Bank Limited shares of $117 million
** 2007 includes VISA gains of $52 million

Executive Chairman
Michael K. Mansoor

Chairman's Letter

I am pleased to report that our 2009 financial results and overall performance were relatively strong despite the continuing lack of real growth and generally weak economic conditions that persisted in several of the markets in which your Bank operates.

The Bank achieved net income attributable to equity holders of the parent of $171 million ($175 million in 2008) and as in 2008, a dividend of US $0.06 per share was declared and paid on the basis of these results.

The Bank is well capitalised and in strong and stable financial condition. What this means is that we are well positioned to capitalise on improvements in growth and general economic expansion which may begin in 2010.

Generally the economy in our larger island markets is a direct function of tourist arrivals and yield per head, buoyancy in international financial centers, foreign direct investment and high end real estate activity. Governments' finances and revenues and employment statistics are directly affected by these variables and it is expected that as the world economy rebounds these economies will experience growth.

While your Bank is impacted by these overall conditions, we have been able to achieve good financial results in the key segments of the business because of our focus on client service and cost containment, an unrelenting commitment to product, systems and technology excellence and the maintenance of a robust risk and control culture. In addition we have been able to motivate our people to work assiduously to retain our clientele and provide higher levels of service.

During the year, we have continued to invest in the training and development of our people. This focus will continue in the coming years, with some of our people taking up assignments at the Parent Company, CIBC, in order to gain wider specialist training and expertise.

As importantly, we have made excellent progress in strengthening the basic infrastructure of the Bank in the key areas of controls, technology and management policies and structures to promote judicious cost control, product enhancements and efficient service delivery.

The Board of Directors and the Directors of the six operating subsidiaries have provided strong and enlightened leadership in ensuring that all key elements of our governance structure are in place and functioning and also monitoring the financial and overall performance of the group.

I wish to place on record our appreciation to all our people, Directors, Executives and the 3,400 client-serving and support people for their tremendous contribution during this difficult but successful year.

I also thank our customers, host governments and regulators for their support and loyalty during the year.

Michael K. Mansoor
Chairman

CEO
John D. Orr

Chief Executive Officer's Letter

Our financial performance in 2009 was relatively strong in this challenging economic climate. Management continued the execution of our strategy which focuses the organisation on strengthening and deepening client relationships.

Group Financial Performance
Net income attributable to equity holders of the parent was $171 million. Prior year income was slightly higher at $175 million. With the slowdown in economic activity, demand for loans was softer and loan balances were flat year on year. Deposits declined by 6% as some customers needed funds to meet other commitments.

During the year the Bank repurchased debt at a discount, realising a gain of $18 million.

The credit environment was challenging and provisions for loan losses increased to 0.61% of gross loans from 0.46% in 2008. While this ratio has increased, it is still comparably low and continues to reflect the Bank's prudent approach to managing risk.

Prudent management of our operating expenses and productivity gains from improvements to processes resulted in a decline in the cost-to-income ratio to 56% from 57% in 2008.

Given the economic climate, we are pleased with the Bank's performance.

Business
To increase the value we deliver to clients, significant enhancements were made to our platform in 2009. We introduced new client service teams in our Corporate Investment Bank to enhance service quality and responsiveness. Our Internet Banking service is now faster and has an enhanced user interface with improved navigation. Two new branches – Portmore, Jamaica, and Grace Bay, Turks & Caicos – were opened this year as we continued our branch network optimisation programme.

Our loans process was reengineered to significantly reduce the loan approval and disbursement process time. Work on enhancing our account-opening process is now underway.

New products were launched. To enhance alignment of our products with customer needs and promote the use of electronic channels, the Bank introduced an innovative new suite of deposit products. A co-branded British Airways Visa Platinum Credit Card was launched and our credit cards were introduced in Curaçao.

People
FirstCaribbean's commitment to building employee expertise and promoting talent and leadership development continues through a series of learning opportunities offered to our employees regionally. Our investment in people focuses on leadership, personal development, core banking knowledge and systems training.

Community Partnership
We continue to invest 1% of profit in the FirstCaribbean Community Trust, the Bank's charitable foundation. Unsung Heroes and Adopt-a-Cause, our flagship programmes, are recognised regionally for their impact at the community level.

Summary
Challenging economic conditions could continue in 2010. However, with the continuous investment in our people and systems, the Bank is well positioned to capture growth opportunities as the economic climate improves.

John D. Orr
Chief Executive Officer

Board of Directors

Seated, left to right:
Ella Hoyos, Corporate Secretary
John D. Orr, Chief Executive Officer
Michael K. Mansoor, Chairman

Standing, left to right:
G. Diane Stewart
Thomas Woods
Paula Rajkumarsingh
David Ritch
Richard Venn
Sir Fred Gollop
Sir Allan Fields
Richard Nesbitt
David Williamson

Sonia Baxendale (absent)

Senior Management and Advisors

EXECUTIVE MANAGEMENT COMMITTEE

Michael K. Mansoor
Executive Chairman

John D. Orr
Chief Executive Officer

Mahes S. Wickramasinghe
Chief Administrative Officer

Tom Crawford
Managing Director,
Retail & Wealth

Hugh Boyle
Chief Risk Officer

Annette Phillips
Managing Director,
Human Resources

Kiyomi Daniel
Chief Financial Officer
(Acting)

Richard Rice
Managing Director,
Group Treasury

Ian Chinapoo
Managing Director,
Investment Banking

Mark Young
Managing Director,
Corporate Banking

Rolf Phillips
Managing Director,
Retail Banking

SENIOR MANAGEMENT

Sharon Brown
Managing Director – Bahamas

Oliver Jordan
Managing Director – Barbados

Larry Nath
Managing Director – Trinidad

Clovis Metcalfe
Managing Director – Jamaica

Pim van der Burg
Managing Director – Netherlands Antilles

Minish Parikh
Managing Director – Operations

Donna Graham
Chief Internal Auditor

Ella N. Hoyos
General Counsel

Peter Steenveld
Managing Director – Marketing & Cards

Eva Lamas
Managing Director – Transaction Banking

ADVISORS

Legal Advisors
Chancery Chambers
Carrington & Sealy
Fitzwilliam, Stone & Alcazar

Corporate Secretary
Ella N. Hoyos

Registrar and Transfer Agent
FirstCaribbean International Trust and Merchant Bank (Barbados) Limited

Auditors
Ernst & Young

Bankers
FirstCaribbean International Bank (Barbados) Limited

FirstCaribbean Retail and Wealth Management

Looking forward to 2010 we expect further enhancements to our products and services. We will launch products focused on our high value and small business segments and complemented with strong financial advisory services.

Retail and Wealth Management

The Retail and Wealth Management business segment provides a full range of financial products and services to almost 300,000 customers in 17 Caribbean countries.

Enhancing Customer Relationships

Our focus in 2009 was on building and enhancing customer relationships through a series of customer service, product, and channel enhancements. To improve customer service, we embarked on a process reengineering effort that analysed how customers utilise our services and then made improvements to enhance customer experience.

One of the process enhancement areas focused on improving the efficiency of our loan application process with a goal to turn-around 90% of instalment loans within two days. Following a very successful pilot on staff loans, we systematically launched the process improvements in all countries. As a result, we are already seeing dramatic improvements in loan turn-around times as well as commensurate increases in loan volumes.

In 2009, we enhanced our product offerings by launching a new deposit product suite. This suite was designed to better support the needs of our customers and encourage the migration of manual transactions from branches to our ABMs and Internet Banking channels. As a result of these new products, we saw a 17% increase in total chequing accounts during the year.

On the credit product side, we implemented system changes that enabled us to bundle products to better meet customers' needs and deepen customer relationships. We also successfully launched the British Airways Visa Platinum Credit Card in all markets served by British Airways. Additionally, we launched our consumer credit card products into the Curaçao market. In other markets, we focused on marketing and selling credit cards to new and existing customers.

We enhanced our electronic channels and in particular we significantly improved the usability and speed of our Internet Banking and completed the sign-up of key merchants to enhance the value delivered by our internet payment service. Improvements were also made to simplify the sign-up process for Internet Banking and we launched a series of campaigns under the "Just Click It" theme, which resulted in a 17% increase in users compared to 2008.

Performance and Outlook

Due to the challenging economic times and the ensuing conservative consumer behaviour, demand for loans including credit cards softened, resulting in relatively flat year-over-year growth. As would be expected, some consumers tapped into savings to meet current financial obligations and consequently deposit balances declined during the year. The overall contribution of the Retail and Wealth segment declined primarily due to lower net interest income fuelled by the lower interest rate environment, as well as to the decline in foreign exchange earnings resulting from reduced transaction volumes. This was partially offset by a decrease in expenses due to effective cost containment measures.

We continued to operate in a difficult credit environment in 2009 which required us to increase our focus on efforts to reduce delinquency and improve credit quality. As a result of these efforts we were able to keep delinquency and non-performing loans within reasonable levels.

We continued our focus on client acceptance procedures to ensure that our standards on Anti-Money Laundering and Know Your Client due diligence are maintained. In some jurisdictions we implemented projects to review and upgrade the files for long-standing existing accounts to current regulatory standards.

Looking forward to 2010 we expect further enhancements to our products and services. We will launch products focused on our high value and small business segments complemented with strong financial advisory services. The small business segment will be merged into our Retail and Wealth business in the beginning of 2010.

We sincerely thank our regional leaders and staff for their hard work to deliver a solid performance in a difficult economic environment.

FirstCaribbean Corporate Investment Banking

Corporate Investment Banking delivered a solid performance despite the challenging economic climate. Management improved focus on sustaining long-term relationships and developed innovative solutions to help clients adapt to the economic slowdown.

Corporate Investment Banking

In 2009, the Caribbean continued to be impacted by the global economic recession. Many of our markets experienced lower tourist arrivals, lower inflows of foreign direct investment, and contraction of domestic economic activity. Corporate Investment Banking delivered a solid performance, despite the challenging climate. Management improved focus on sustaining long-term relationships and developed innovative solutions to help clients adapt to the economic slowdown.

We participated in a number of significant financing arrangements which included acting as lead arrangers, co-managers, placement agents and financial advisors. Of note were The Commonwealth of The Bahamas US$200 million and Bahamas Electricity Corporation US$211 million syndicated loan facilities and Nassau Airport Development's US$42 million senior notes and US$70 million subordinated notes. We raised client financing in a number of territories, namely Anguilla, Netherlands Antilles, Jamaica, St. Lucia and Trinidad and Tobago. These financings included new issuances, debt re-financings and project financings for large corporate and sovereign clients, including one of Jamaica's oldest hotels.

Total loans remained relatively flat year over year with increases in government loans due to strengthening of foreign exchange reserves, being partially offset by a decline in business loan volumes as businesses were selective in their approach to borrowing and funding investments. Total deposits, however, declined marginally as a direct result of lower business activity. Total contribution declined year on year primarily due to the lower foreign exchange earnings driven by lower transaction volumes and spreads. With the continued effects of the recession, loan loss impairment expenses increased in comparison to the prior year.

Last year we took steps to form a client-focused organisation with the establishment of the Corporate Investment Bank. A key component was the introduction of the Senior Coverage Model to serve our clients with the most complex financing needs through a team of skilled and experienced Sector and Product Specialists. This model has worked extremely well and aided us in serving unique needs of clients in this challenging period.

We also introduced dedicated Client Services Teams for every mid-market client. With this new approach Relationship Managers have more time to address solution delivery for clients and transaction requests.

2010 is expected to be another challenging year regionally. Although there are signs of recovery globally, we anticipate that it will take some time for the effects to lift our tourism markets and restore foreign direct investment. Nevertheless, FirstCaribbean is confident that the strategies we have put in place to sustain long-term relationships with our clients provide a solid platform for growth as the economic climate improves.

Our Employees

Our employees delivered, as exemplified by the 10 Players of the Series who were recipients of FirstCaribbean's annual employee recognition awards. The Players of the Series demonstrated outstanding contributions in sales, relationship management, and productivity improvement while exemplifying the tenets of Helpful Partner.

Our Employees

We place our employees at the centre of our operations. Since inception, we have remained committed to fulfilling our promise to assist in the professional development of our employees by creating avenues for their success. In 2009, we continued to advance our goals of providing opportunities through training, reward and recognition programmes, amidst challenging economic times.

Our employees delivered, as exemplified by the 10 *Players of the Series* who were recipients of FirstCaribbean's annual employee recognition awards. The Players of the Series demonstrated outstanding contributions in sales, relationship management, and productivity improvement as well as exemplifying the tenets of Helpful Partner.

Employer of Choice

FirstCaribbean is proud to be included in the 2009 edition of *The Oxford & Cambridge Careers Handbook*, which provides invaluable information for graduates and alumni of these institutions entering or re-evaluating the job market. The handbook profiles a selection of organisations around the world that are considered to be employers of choice. FirstCaribbean is the only company within the Caribbean region to be included.

Employee Benefits

Managing employee benefits (medical, dental, life and disability coverage) is continually challenging in an environment with continually escalating costs of healthcare. For the first time, FirstCaribbean through changes to its benefit offer provided employees with choices which enabled them to better manage their coverage and costs and provided a greater level of coverage overall. Additionally, through vendor consolidation, we were also able to achieve lower costs overall.

Training and Development

FirstCaribbean's commitment to building employee competence and promoting talent and leadership development continued through a series of learning opportunities offered to our employees regionally. The investment in training delivered through the FirstCaribbean University (FCU) included leadership, personal development, core banking and systems training. Through the FCU, employees at every level, meeting the criteria for the programmes offered, were able to benefit from valuable training opportunities aimed at helping them to more effectively perform their roles.

There was also a fifty per cent increase in the number of managers accredited under the Leadership Essentials Programme. There was also a continued focus on both Retail and Corporate segments with the introduction of new training programmes that met a critical business need and were attended by over 400 persons in eight territories.

During the year, we have continued to invest in the training and development of our people. This focus will continue in the coming year, with some of our people taking up assignments at the Parent Company, CIBC, in order to gain wider specialist training and expertise.

Succession Planning

During 2009, succession plans for all executive positions were refreshed. We will build upon this in 2010 by expanding on individual development plans to enable talented individuals to achieve their greatest potential.

Organisational Alignment

After the re-organisation in 2008 which established Corporate Investment Banking and Retail Banking & Wealth Management, the year was spent aligning the nearly 3,400 managers and staff to these business units as well as within the support areas of Finance, Technology, Operations, Marketing and Product Development, International Corporate Banking and Human Resources.

Our Communities

Milton McLean

Cynthia Stephenson

John Roache

In 2009, FirstCaribbean International Bank contributed more than US$1.6 million to worthy causes throughout the region. The majority of funding for corporate social responsibility initiatives went to community relations activities, including initiatives to alleviate poverty and assist the homeless, public and private school programmes, enhancing the environment through creation of green spaces and numerous others.

The Bank's flagship initiative, Unsung Heroes, continued to increase in popularity. Three people were rewarded for their work to better their communities while several more were honoured for similar work at the national level in each FirstCaribbean territory.

Significant progress was also reported in the newer programmes aimed at providing opportunities to assist young people through entrepreneurship. The year saw a continuation of the relationship with the Caribbean Association of Youth Business Programmes, whose partnership with FirstCaribbean will continue to provide valuable assistance to young people throughout the region who are desirous of starting their own businesses.

Unsung Heroes – Another Great Year

Since 2003, FirstCaribbean has honoured selfless individuals who spend their lives serving others. In 2009, John Roache, a dedicated 42-year-old community worker from St. Vincent & the Grenadines was named Regional Unsung Hero. John was inspired by his mother's life of service to others and dedicated his own life to do the same. Milton McLean, 48, of Tortola, British Virgin Islands and seventy-six-year-old Cynthia Stephenson of Dominica were also recognised for their humanitarian work.

The Unsung Heroes regional programme has provided valuable funding for worthwhile community projects over the years, and also ensures that the work of those recognised annually, continues.

Despite the economic challenges of 2009, FirstCaribbean continued to actively support worthwhile causes in the region. Led by its employees, the Bank contributed more than US$1.6 million on signature initiatives like its Unsung Heroes and Adopt-a-Cause programmes, and numerous other community relations programmes.

Our Communities

The University of the West Indies (UWI) Mona team which won the UWI/First-Caribbean 2009 Case Analysis Competition on Tuesday, June 2, 2009.

(Front row l-r) Jade Wright, Tenneil Rashford, Sherica Lewars, Tifain Taylor, Leslie Shirley, Mehar Alam, Horace Allen and Vanessa Hemans. With them are (2nd left back) Clovis Metcalfe, Managing Director, FirstCaribbean International Bank (Jamaica) Limited and (5th right back) Mark Figueroa, Dean, Faculty of Social Sciences, UWI.

Three-time champs – Mona wins again!

The all-girls team from the University of the West Indies (UWI), Mona Campus in Jamaica, beat four other competing teams to win first place and the FirstCaribbean International Bank Challenge Trophy in the UWI/FirstCaribbean International Bank 2009 Case Analysis Competition, on their home soil.

Two new teams, the University of Technology (UTECH), Jamaica and the University of Southern Caribbean, Trinidad, also took part. The competition, developed under a Memorandum of Understanding between FirstCaribbean and UWI, aims to develop case writing skills within the University and increase the available regional case studies for use by the student population.

Funding for Youth Entrepreneurship

The Barbados Youth Business Trust (BYBT) received financial help from the Bank to advance its lending as part of its Youth Entrepreneurship programme.

The organisation received US$35,000 for its activities in Barbados.

Youth Business International, to which the BYBT is affiliated, and FirstCaribbean are partners in helping to combat youth poverty and unemployment in the region.

The BYBT is the lead programme with responsibility for assisting with the start-up of programmes, sharing best practices and monitoring brand quality. Programmes currently operate in Barbados, Trinidad & Tobago, Jamaica, Dominica, St. Lucia and Belize.

Helping our neighbours in times of need

When fire severely damaged the St. Jude's Hospital in St. Lucia, FirstCaribbean was the first to respond with financial assistance to the hospital's rebuilding fund.

Chairman of the Bank, Michael Mansoor launched the fund with a contribution of EC$200,000 to a newly established account named the St. Jude's Hospital Rehabilitation Fund. Prime Minister of St. Lucia, Stephenson King expressed his deep appreciation for the quick action and the start-up contribution, on behalf of the hospital and the people of St. Lucia.

Staff Volunteerism peaks in 2009

2009 was an extraordinary year for Adopt-a-Cause, with 98% of staff participating in various social programmes throughout the region.

Under the Adopt-a-Cause programme, staff act on requests made by individuals and/or organisations for help and actively play a part by way of direct involvement in seeing these projects to fruition. The key to the programme's success has been active volunteerism.

Beneficiaries in 2009 included public and private schools, the elderly, non-governmental organisations, children's homes, among numerous others.

Staff from Corporate and LPC at the Albert Street Branch merged their resources and efforts to further a cause that will have a positive impact for years and generations to come, with construction of a new school building in Southern Belize. In photo, staff assisting with construction.

Management's Discussion and Analysis

Management's discussion and analysis (MD&A) should be read in conjunction with the audited consolidated financial statements included in this Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in United States dollars. Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year.

Overview

The FirstCaribbean Group is managed by segments. There are four (4) line of business segments which operate across five (5) geographic segments.

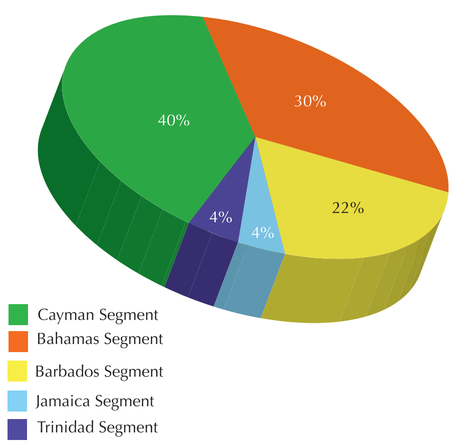
The line of business segments are Retail and Wealth Management (R&WM), Corporate Investment Banking (CIB), Treasury Sales and Trading (TST), and Other (which includes the functional groups that support the other lines of business).

Highlights and commentary on the line of business segments can be found on pages 7 to 10.

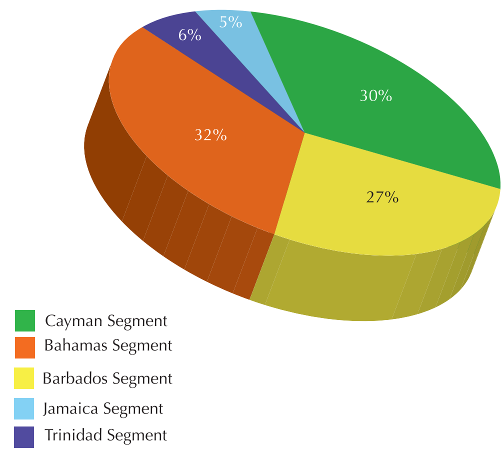
The geographic segments are Barbados, Bahamas, Cayman, Jamaica and Trinidad. The Barbados segment comprises onshore and offshore operations in Barbados, Belize, the Eastern Caribbean (Anguilla, Antigua & Barbuda, Dominica, Grenada, St. Lucia, St. Kitts & Nevis and St. Vincent) and some trust business in Jamaica, but excludes the Corporate Head Office (HO) operations. The Bahamas segment comprises operations in Bahamas and Turks & Caicos Islands (TCI). The Cayman segment comprises operations in Cayman, British Virgin Islands (BVI), St. Maarten and Curacao. The Jamaican and Trinidad segments relate to operations in those jurisdictions only.

The following discussion and analysis is based on the Group's overall results with commentary referring to the segments where deemed relevant.

Net income contribution by geographical segment excluding HO and eliminations (%)



Total asset contributions by geographical segment excluding HO and eliminations (%)



FINANCIAL PERFORMANCE REVIEW

Financial overview

$ millions, except per share amounts, as at or for the year ended October 31		2009	2008	2007*
Total revenue		**568**	551	606
Net income		**175**	180	261
Net income attributable to the equity holders of the parent		**171**	175	256
Per share	– basic earnings	**11.2**	11.5	16.8
	– diluted earnings	**11.2**	11.5	16.8
Dividend per share		**0.0600**	0.0600	0.0625
Total assets		**10,503**	10,940	11,856
Return on equity		**12.3%**	13.3%	20.4%
Efficiency ratio		**56.3%**	57.0%	49.8%
Share price	– closing	**1.34**	1.64	1.94
Tier I capital ratio		**19%**	17%	14%
Tier I and II capital ratio		**22%**	20%	17%

* Included in 2007 are VISA gains of $52 million

REVIEW OF CONSOLIDATED STATEMENT OF INCOME

The Bank has delivered relatively strong results, despite the challenging economic environment, with net income attributable to its shareholders of $171 million, a decline of 2% or $4 million year on year.

Total revenues were up by $17 million compared to the prior year driven by higher operating income which included gains on repurchase of debt. This was partially offset by higher operating expenses of $6 million, loan loss expenses of $11 million, and taxation of $5 million. In the prior year total revenues were impacted by losses on trading securities.

Net interest income and margin

$millions, for the year ended October 31

	2009	2008
Average assets	**10,721**	11,398
Net interest income	**433**	458
Net interest margin	**4.0%**	4.0%

Net interest income declined year on year by $25 million or 5% primarily due to the fall in interest rates. Interest income decreased by $108 million or 15%, while interest expenses decreased by $83 million or 31% which resulted in spreads widening slightly during the year.

The decline in interest income was due to the following:

- Lower cash placements income resulting from both lower average volumes and yields;
- Lower securities income due to lower average volumes, partially offset by higher yields; and
- Lower loan income due to lower yields, partially offset by higher average volumes.

The decline in interest expenses was due to the following:

- Lower deposit liability expenses resulting from both lower volumes and cost of funds; and
- Lower debt expenses due mainly to lower average volumes.
- This decline was however partially offset by higher interest expenses associated with derivatives.

Operating income

$millions, for the year ended October 31

	2009	2008
Net fee & commission income	**69**	70
Foreign exchange earnings	**45**	50
Net securities gains/(losses)	**1**	(28)
Net hedge losses	**(5)**	(6)
Gains on repurchase of debt	**18**	–
Other	**7**	6
	135	92

Operating income increased by $43 million or 47% year on year primarily due to lower securities losses of $29 million and gains on repurchase of debt at a discount of $18 million. These increases were however partially offset by lower foreign exchange earnings by $5 million.

In the prior year, the Group's trading securities were impacted by the effect of the US economic downturn on market values, interest rates and credit spreads. During the current year, the trading portfolio was fully disposed of.

Foreign exchange earnings were down due to lower volumes and spreads primarily in the second half of the year.

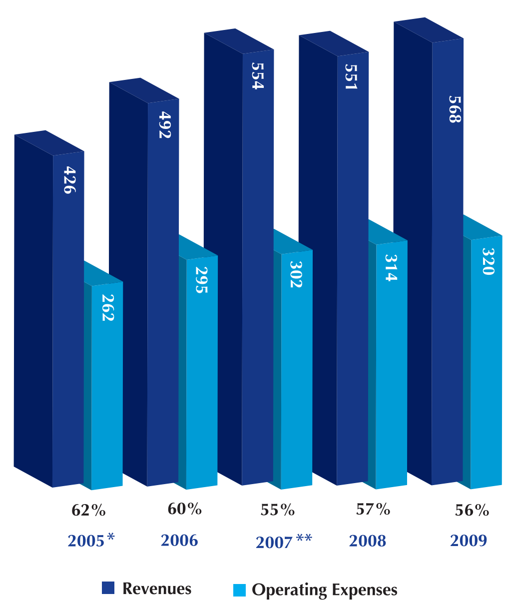
Operating expenses

$millions, for the year ended October 31

	2009	2008
Remuneration and benefits		
Wages and salaries	**143**	139
Benefits	**37**	27
	180	166
Property & equipment expenses	**39**	42
Depreciation	**19**	25
Professional fees	**14**	15
Advertising & marketing	**6**	8
Business development & travel	**5**	6
Communications	**9**	7
Other	**48**	45
	320	314

Operating expenses increased year on year by $6 million or 2% mainly due to employee related costs which increased by $14 million or 8% driven primarily by annual salary increases, post retirement benefits, and other staff allowances. Declines in other expense categories resulting from broad cost containment measures largely offset those increases. The Group's efficiency ratio (ratio of costs to revenues) was 56% versus 57% in the prior year.

Revenues and Operating expenses (US$millions) and efficiency ratio (%)



* 2005 excludes gain on sale of Republic Bank Limited shares $117 million
** 2007 excludes VISA gains of $52 million

Loan loss impairment expense

$millions, for the year ended October 31

	2009	2008
Individual impairment expense		
Mortgages	**3**	2
Personal	**9**	8
Business & Government	**30**	19
	42	29
Collective impairment expense	**1**	3
	43	32

Loan loss expenses were substantially up year on year, increasing by $11 million or 34% primarily due to increases in specific or individual impairment on Business and Government loans. The ratio of loan loss expenses to gross loans increased to 0.61% at the end of this year compared with 0.46% at the end of the prior year. The ratio of non-performing loans to total loans increased to 8.0% this year from 5.4% last year end.

Taxes

$millions, for the year ended October 31

	2009	2008
Income tax expense	**27**	22
Net income before taxes	**202**	202
Effective tax rate	**13.4%**	10.9%

Taxes were higher than the prior year by $5 million or 23% due to a greater percentage of income in taxable jurisdictions.

Foreign exchange

The Bank conducts business in two jurisdictions (Jamaica and Trinidad) that have functional currencies that float against the United States (U.S.) dollar. The Jamaican dollar suffered a 16.2% devaluation year on year, while the Trinidad dollar remained relatively stable. The Jamaican dollar devaluation resulted in a loss in the translated value of our U.S. dollar presentation earnings of $1.5 million.

REVIEW OF CONSOLIDATED BALANCE SHEET

$millions, as at October 31

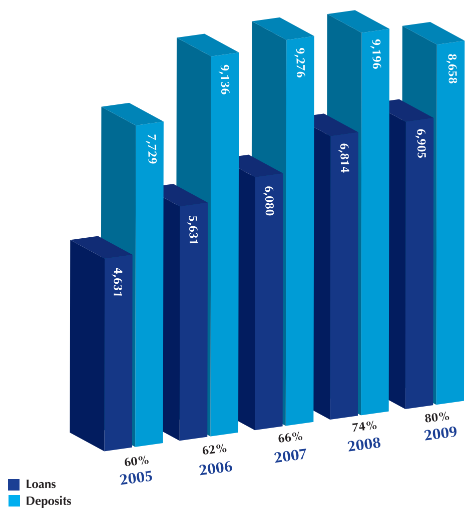
	2009	2008
Assets		
Cash & deposits with Banks	**1,277**	985
Securities		
Trading	**-**	536
Available-for-sale	**1,744**	2,004
	1,744	2,540
Loans and advances		
Mortgages	**2,513**	2,496
Personal	**760**	823
Business & Government	**3,805**	3,642
Other	**(12)**	(13)
Provisions for impairment	**(161)**	(134)
	6,905	6,814
Other assets	**577**	601
	10,503	10,940
Liabilities & equity		
Deposits		
Individuals	**3,613**	3,741
Business & Government	**4,876**	5,254
Banks	**141**	171
Other	**28**	30
	8,658	9,196
Other borrowings	**38**	24
Debt issued	**125**	239
Other liabilities	**163**	145
Total equity	**1,519**	1,336
	10,503	10,940

Assets

Total assets declined year on year by $437 million or 4% mainly due to the disposal of securities during the year. Loans and advances remained flat year on year as a consequence of the prevailing economic environment. Cash and deposits with Banks however increased by $292 million or 30% as funds received on the disposal of securities had not been fully redeployed at year end.

Liabilities
Customer liquidity needs resulted in a decline in deposits by $538 million or 6% and debt issued declined as a result of repurchases during the year.

Loans and advances and deposits (US$millions) and loans to deposits ratio (%)



Total equity
The increase in total equity was driven by net income for the year and improvements in market values of available-for-sale securities; partially offset by dividend payments.

Risk management approach

FirstCaribbean assumes a variety of risks in its ordinary business activities. Risk is defined as any event that could: damage the core earnings capacity of the Group; increase earnings or cashflow volatility; reduce capital; threaten business reputation or viability; and/or breach regulatory or legal obligations.

The Bank's approach to risk management is based on sound banking principles and a robust governance structure. Risk is managed within tolerance levels established by our management committees and approved by the Board of Directors and its committees (the Board). This is achieved through a comprehensive framework of measurement, monitoring and control policies, procedures and processes. Further information on credit, market and liquidity risks within the Bank can be found in note 33 of the consolidated financial statements section.

Primary responsibility for the management of risk lies with line management in our various individual businesses. The risk management department, which reports to the Chief Risk Officer, develops risk policies and procedures and provides independent oversight and analysis through its five centrally based teams – credit risk, market risk, receivables management, compliance and operational risk management and controls.

The Bank's risk management policies and procedures are designed to identify and analyse these risks, to set appropriate risk limits, and to monitor and enhance risk management practices to reflect changes in markets, products and evolving best practice.

A robust risk and control governance structure is embedded within each strategic business unit. Representatives from the risk teams interact with the senior leadership of each business unit in order to identify and manage risks in the respective businesses. This approach is supported by comprehensive enterprise reporting.

Credit risk
Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that any security pledged in support of the credit does not cover the customer's liabilities to the Bank in the event of a repayment default. The credit risks in FirstCaribbean arise primarily from lending activities to customers but also occur with bonds, guarantees and securities.

Credit risk is managed and controlled on the basis of established credit processes and policies operating within a framework of delegated authorities. In addition to approving the Group's key credit policies and setting credit risk appetites and tolerances, the Risk and Conduct Review Committee of the Board also delegates credit approval limits to the Credit Committee of the Bank. The Credit Committee is chaired by the Chief Risk Officer who also delegates lending authority to individual members of the Credit Risk Management Department and also to front line lenders. There is appropriate segregation of duties between customer facing functions responsible for originating and managing exposures, the Credit Risk Management function responsible for credit adjudication and oversight and the Operations function responsible for disbursing loans and safekeeping security.

Credit grading, scoring and monitoring systems facilitate the early identification and management of deterioration in loan quality. The credit management process is underpinned by an independent system of credit review by credit conformance teams. Delinquent facilities are subject to separate and additional oversight by the receivables management team. Classification is automated and operates strictly in line with regulatory and accounting standards. Credit provisions are independently calculated in accordance with International Financial Reporting Standards for statutory reporting and in accordance with the Financial Institutions Act to meet regulatory requirements by the central risk and financial controls teams.

Market risk
Market risk is the measurement of potential loss arising from adverse movements in interest rates, foreign exchange rates, equity and commodity prices, and credit spread risk in the Bank's investment portfolios. It arises in trading activities, as well as in the natural course of wholesale and retail business.

The principal aim of FirstCaribbean's market risk management activities is to limit the adverse impact of interest rate and exchange rate movements on profitability and shareholder value and to enhance earnings within defined limits.

The Risk and Conduct Review Committee of the Board reviews market risk strategy and overall limits. It approves key policies and oversees the measurement, monitoring and control regime.

There is no single risk measure that captures all aspects of market risk. FirstCaribbean uses several risk measures including Value at Risk ('VaR'), sensitivity measures and stress testing. Market risks are managed by setting limits based upon the specific markets and products where FirstCaribbean is involved, as well as the amount of the Group's capital at risk. These measurement methodologies utilise international best practice. There is a centralised, dedicated risk management team charged with the responsibility to ensure that the risk measurement methodologies used are appropriate for the risks being taken and that appropriate measurement, monitoring and control procedures are in place.

Compliance risk
Compliance risks are associated with failures to comply with laws, regulations, rules, and the codes of ethics and conduct applicable to our business activities. Such failures can give rise to legal or regulatory sanctions, material financial loss, or a loss of reputation to the Bank.

Primary responsibility for compliance lies with territorial line management. The compliance team within the risk management department is tasked with identifying the compliance obligations in each country where the Bank operates. It also provides advice and guidance to the business lines on compliance risks and the development of appropriate policies and procedures to ensure compliance with all legislation and internal code of conduct and ethics policies. It independently assesses and monitors compliance and reports to the Audit & Governance Committee of the Board.

Operational risk management and controls
FirstCaribbean defines operational risk as the exposure to loss from failed or inadequate internal processes, people and systems or from external events. It is the risk of direct or indirect loss, or damaged reputation, due to deficiencies or errors in the Group's internal operations which may be attributable to fraud, human error, processes or technology failure, or due to external events. Operational risks are inherent in all activities within the Bank, including its outsourced activities and in all interactions with external parties.

Strong internal control and quality management, consisting of a fraud framework, leadership and trained staff, are the key to successful operational risk management. Each strategic business unit is primarily responsible for managing their own operational risks. Risk management develops and maintains the framework for identifying, monitoring and controlling operational risks and supports the business in implementing the framework and raising awareness of operational risks. The team sets policy and monitors compliance. Operational risk management activities across the Group are reported regularly to the Audit & Governance Committee and Risk and Conduct Review Committee.

FirstCaribbean's operational risk management framework includes ongoing monitoring through self-assessment of control deficiencies and weaknesses and the tracking of incidents and loss events to ensure that, once identified, control deficiencies are communicated and remedied in a timely fashion across the Group.

Liquidity risk
Liquidity risk is defined as the risk that the Group will experience difficulty in financing its assets and meeting its contractual payment obligations, or will only be able to do so at an unacceptably high cost. FirstCaribbean is exposed to liquidity risk through our general funding activities and in the management of our assets and liabilities.

FirstCaribbean's exposure to liquidity risk is governed by a policy approved by the Board. The operation of the policy is delegated to management in the form of the Asset and Liability Committee (ALCO). The Group and individual operating company ALCOs are responsible for monitoring liquidity risk. Day-to-day management of liquidity is handled by the treasury team.

The Bank performs stress tests and scenario analyses to evaluate the impact of stresses on its liquidity position. These tests are conducted at both a Group specific and systemic risk level. The results are reported to the Board quarterly and independently reviewed by the market risk function.

Consolidated Financial Statements 2009

ERNST & YOUNG

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AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank Limited.

We have audited the accompanying consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries ("the Group") which comprise the consolidated balance sheet as of October 31, 2009 and the consolidated statements of income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of October 31, 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young
CHARTERED ACCOUNTANTS

Barbados
December 10, 2009

Consolidated Statement of Income

For the year ended October 31, 2009
(expressed in thousands of United States dollars)

	Notes	2009 $	2008 $
Interest and similar income		**614,812**	722,971
Interest and similar expense		**181,317**	264,684
Net interest income	3	**433,495**	458,287
Operating income	4	**134,737**	92,256
		568,232	550,543
Operating expenses	5	**319,718**	313,592
Loan loss impairment	14	**43,369**	32,015
Amortisation of intangible assets	18	**2,963**	2,963
		366,050	348,570
Income before taxation		**202,182**	201,973
Income tax expense	6	**26,981**	22,220
Net income for the year		**175,201**	179,753
Attributable to:			
Equity holders of the parent		**171,223**	175,276
Minority interest		**3,978**	4,477
		175,201	179,753
Earnings per share attributable to the equity holders of the parent for the year:	7		
(expressed in cents per share)			
- basic		**11.2**	11.5
- diluted		**11.2**	11.5

The accompanying notes from part of these financial statements.

Consolidated Balance Sheet

As of October 31, 2009
(expressed in thousands of United States dollars)

	Notes	2009 $	2008 $
ASSETS			
Cash and balances with Central Banks	8	**425,629**	488,810
Due from banks	9	**850,587**	496,076
Derivative financial instruments	10	**1,575**	2,144
Financial assets at fair value through profit or loss	11	**—**	536,217
Other assets	12	**45,536**	59,934
Taxation recoverable		**9,089**	6,184
Investment securities	13	**1,743,690**	2,004,269
Loans and advances to customers	14	**6,905,476**	6,814,278
Property and equipment	15	**120,988**	127,156
Deferred tax assets	16	**12,987**	15,768
Retirement benefit assets	17	**45,470**	44,805
Intangible assets	18	**341,550**	344,513
TOTAL ASSETS		**10,502,577**	10,940,154
LIABILITIES			
Derivative financial instruments	10	**87,084**	55,580
Customer deposits	19	**8,658,353**	9,196,049
Other borrowed funds	20	**38,489**	23,735
Other liabilities	21	**54,248**	66,965
Taxation payable		**9,072**	14,031
Deferred tax liabilities	16	**3,885**	1,520
Debt securities in issue	22	**124,622**	238,532
Retirement benefit obligations	17	**8,055**	7,947
TOTAL LIABILITIES		**8,983,808**	9,604,359
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Issued capital	23	**1,117,349**	1,117,349
Treasury shares	24	**—**	(500)
Reserves	25	**(246,768)**	(371,997)
Retained earnings		**620,353**	565,889
		1,490,934	1,310,741
MINORITY INTEREST		**27,835**	25,054
TOTAL EQUITY		**1,518,769**	1,335,795
TOTAL LIABILITIES AND EQUITY		**10,502,577**	10,940,154

Approved by the Board of Directors on December 10, 2009

Michael K. Mansoor
Chairman

John D. Orr
Chief Executive Officer

The accompanying notes from part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended October 31, 2009
(expressed in thousands of United States dollars)

	Notes	Attributable to equity holders of the Parent					
		Issued capital $	Treasury shares $	Reserves $	Retained earnngs $	Minority interest $	Total equity $
Balance at October 31, 2007		1,117,349	(1,418)	(300,248)	520,310	24,827	1,360,820
Foreign currency translation differences	25	—	—	483	(6,533)	(206)	(6,256)
Net change in available-for-sale investment securities	25	—	—	(100,543)	—	(1,455)	(101,998)
Total income and expense for the year recognised directly in equity		—	—	(100,060)	(6,533)	(1,661)	(108,254)
Net income for the year		—	—	—	175,276	4,477	179,753
Total income and expense for the year		—	—	(100,060)	168,743	2,816	71,499
Transfer to reserves	25	—	—	29,573	(29,573)	—	—
Net disposal of treasury shares	24	—	918	—	—	—	918
Share-based payment reserves	25	—	—	(1,262)	—	—	(1,262)
Equity dividends		—	—	—	(93,591)	—	(93,591)
Dividends of subsidiaries		—	—	—	—	(2,589)	(2,589)
Balance at October 31, 2008		1,117,349	(500)	(371,997)	565,889	25,054	1,335,795
Foreign currency translation differences	25	—	—	(13,317)	—	(450)	(13,767)
Net change in available-for-sale investment securities	25	—	—	111,573	—	1,311	112,884
Total income and expense for the year recognised directly in equity		—	—	98,256	—	861	99,117
Net income for the year		—	—	—	171,223	3,978	175,201
Total income and expense for the year		—	—	98,256	171,223	4,839	274,318
Transfer to reserves	25	—	—	27,598	(27,598)	—	—
Net disposal of treasury shares	24	—	500	—	—	—	500
Share- based payment reserves	25	—	—	(625)	—	—	(625)
Equity dividends		—	—	—	(89,161)	—	(89,161)
Dividends of subsidiaries		—	—	—	—	(2,058)	(2,058)
Balance at October 31, 2009		1,117,349	—	(246,768)	620,353	27,835	1,518,769

The accompanying notes from part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended October 31, 2009
(expressed in thousands of United States dollars)

	2009 $	2008 $
Cash flows from operating activities		
Income before taxation and minority interest	**202,182**	201,973
Loan loss impairment	**43,369**	32,015
Depreciation of property and equipment	**18,513**	24,947
Amortisation of intangible assets	**2,963**	2,963
Net gains on disposals of property and equipment	**(946)**	(1,019)
Net gains on disposals and redemption of investment securities	**(9,697)**	(380)
Net gains on the repayment of debt securities issued	**(17,648)**	—
Net hedging losses	**5,062**	6,425
Share-based payment reserve	**(625)**	(1,262)
Interest income earned on investment securities	**(110,023)**	(109,030)
Interest expense incurred on borrowed funds and debt securities	**11,298**	20,651
Cash flows from operating profits before changes in operating assets and liabilities	**144,448**	177,283
Changes in operating assets and liabilities:		
-net (increase)/decrease in due from banks	**(328,843)**	186,317
-net decrease in financial assets at fair value through profit or loss	**536,217**	587,372
-net increase in loans and advances to customers	**(133,474)**	(766,922)
-net decrease in other assets	**14,302**	62,775
-net decrease in customer deposits	**(537,696)**	(79,636)
-net decrease in other liabilities	**(16,510)**	(56,217)
Income taxes paid	**(33,000)**	(26,461)
Net cash (used in)/from operating activities	**(354,556)**	84,511
Cash flows from investing activities		
Purchases of property and equipment	**(14,757)**	(17,504)
Proceeds from disposals of property and equipment	**3,358**	2,422
Purchases of investment securities	**(797,646)**	(1,220,334)
Proceeds from disposals and redemption of investment securities	**1,191,691**	1,587,186
Interest income received on investment securities	**131,689**	108,491
Net cash from investing activities	**514,335**	460,261
Cash flows from financing activities		
Net repayments on other borrowed funds and debt securities	**(80,555)**	(758,507)
Interest expense paid on other borrowed funds and debt securities	**(12,251)**	(32,194)
Dividends paid to equity holders of the parent	**(89,161)**	(93,591)
Dividends paid to minority interest	**(2,058)**	(2,589)
Net disposal of treasury shares	**500**	918
Net cash used in financing activities	**(183,525)**	(885,963)
Net decrease in cash and cash equivalents for the year	**(23,746)**	(341,191)
Effect of exchange rate changes on cash and cash equivalents	**(13,767)**	(6,256)
Cash and cash equivalents, beginning of year	**664,930**	1,012,377
Cash and cash equivalents, end of year (note 8)	**627,417**	664,930

The accompanying notes from part of these financial statements.

1. General information

FirstCaribbean International Bank Limited and its subsidiaries ("the Group") are registered under the relevant financial and corporate legislations of 17 countries in the Caribbean to carry on banking and other related activities. The Group's parent company, FirstCaribbean International Bank Limited (the Bank), is a company incorporated and domiciled in Barbados at Warrens, St. Michael. The ultimate parent company and controlling party of the Bank is Canadian Imperial Bank of Commerce ("CIBC") which holds 91.4% of the Bank's issued shares and is a company incorporated in Canada.

The Bank has a primary listing on the Barbados stock exchange, with further listings in Trinidad, Jamaica and the Eastern Caribbean.

2. Accounting policies

2.1 Basis of presentation

These consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, financial assets at fair value through the profit or loss and derivative financial instruments. The carrying value of recognised assets that are hedged items in fair value hedges, and otherwise carried at cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The consolidated financial statements are presented in United States dollars, and all values are rounded to the nearest thousand.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended October 31. The financial statements of the subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies.

Subsidiary undertakings, which are those companies in which the Bank directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been fully consolidated. The principal subsidiary undertakings are disclosed in note 34. Subsidiaries are consolidated from the date on which the effective control is transferred to the Group. They are de-consolidated from the date that control ceases. All inter-company transactions, balances and unrealised surpluses and deficits on transactions and balances have been eliminated.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

2. Accounting policies (continued)

2.2 Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain significant estimates and judgements that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Fair value of financial instruments

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices of or inputs to actual market transactions and using the Group's best estimates of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, counterparty credit and liquidity spread and limitations in the model.

ii) Impairment losses on loans and advances

The Group reviews its individually significant loans and advances at each balance sheet date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provisions should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

The collective assessment takes account of data from the loan portfolio such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios, concentrations of risks and economic data, country risk and the performance of different individual groups.

iii) Retirement benefit obligations

Accounting for some retirement benefit obligations requires the use of actuarial techniques to make a reliable estimate of the amount of benefit that employees have earned in return for their service in the current and prior periods. These actuarial assumptions are based on management's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits and comprise both demographic and financial assumptions. This includes assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Variations in the financial assumptions can cause material adjustments in future years, if it is determined that the actual experience differed from the estimate.

2. Accounting policies (continued)

2.2 Significant accounting judgements and estimates (continued)

iv) Income taxes

The Group is subject to taxation in various jurisdictions and significant estimates are required in determining the provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Management's judgement is required to determine the amount of the deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

v) Impairment of available-for-sale investments

Management makes judgements at each balance sheet date to determine whether available-for-sale investments are impaired. These investments are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

vi) Goodwill

The Group's financial statements include goodwill arising from acquisitions. In accordance with IFRS 3, goodwill is reviewed for impairment annually using the "value in use" method. This requires the use of estimates for determination of future cash flows expected to arise from each cash-generating unit and an appropriate discount rate to calculate present value.

2.3 Adoption of new accounting policies

The accounting policies adopted are consistent with those used in the previous financial year except for the adoption of the following standards, amendments and interpretations. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

IFRIC 13 Customer Loyalty Programmes

IFRIC 14 IAS 19 – The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(1) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Bank is Barbados dollars, however, these consolidated financial statements are presented in United States dollars ("the presentation currency") as this is the single largest currency of use throughout the Group and is universally accepted and recognised in all the territories in which the Group operates.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(1) Foreign currency translation (continued)

(i) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at rates prevailing at the date of the financial statements and non-monetary assets and liabilities are translated at historic rates. Revenue and expenses denominated in foreign currencies are translated into the Bank's functional currency and then converted to the Group's presentation currency using prevailing average monthly exchange rates. Realised and unrealised gains and losses on foreign currency positions are reported in income of the current year. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the available-for-sale revaluation reserve in equity.

(ii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
(b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(c) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

(2) Derivative financial instruments and hedge accounting

Derivatives are initially recognised in the balance sheet at their fair value at the trade date. Fair values are obtained from discounted cash flow models, using quoted market interest rates. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a trading or hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either: (a) hedges of the fair value of recognised assets or liabilities (fair value hedge); or (b) hedges of highly probable cash flows attributable to a recognised asset or liability (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group's criteria for a derivative instrument to be accounted for as a hedge include:
(i) formal documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship, at the inception of the transaction;
(ii) the hedge documentation shows that it is expected to be highly effective in offsetting the risk in the hedged item throughout the reporting period; and
(iii) the hedge is highly effective on an ongoing basis and determined to have been highly effective throughout the financial periods for which the hedge was designated.
(iv) for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variation in cash flows that could ultimately affect the income statement.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(2) Derivative financial instruments and hedge accounting (continued)

(a) Fair value hedge
Changes in the fair value of the effective portions of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to hedged risk, are recorded in the income statement, along with the corresponding change in fair value of the hedged asset or liability that is attributable to that specific hedged risk.

If the hedge no longer meets the criteria for hedge accounting, an adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortised to net profit or loss over the remaining period to maturity.

(b) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Changes in the fair value of derivatives held-for-trading are included in net trading income or losses in the income statement.

(3) Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing instruments on an accrual basis using the effective interest yield method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investment and trading securities and accrued discounts and premiums on treasury bills and other discounted instruments.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the original effective interest rate for the purpose of measuring impairment loss.

(4) Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan origination fees for loans, which have a high probability of being drawn down, are deferred (together with related direct costs) and recognised as an adjustment to the effective interest yield on the loan. Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised proportionately over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(5) Customer loyalty programmes

The Group offers a customer points programme through its Credit Card products. A portion of the net fee revenues are deferred in relation to award credits under customer loyalty programmes as a separately identifiable revenue component. The amount deferred represents the fair value of the award credits and is recognised when the awards are utilised or expire.

(6) Financial instruments

The Group classifies its financial assets into the following categories:

(i) Financial assets at fair value through profit or loss;
(ii) Loans and receivables; or
(iii) Available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss
This category comprises financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Management may designate a financial asset at fair value through profit or loss when certain criteria are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

All purchases and sales of financial assets at fair value through profit or loss and available-for-sale that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at settlement date, which is the date that an asset is delivered to or by the Group. Otherwise such transactions are treated as derivatives until settlement occurs. Loans and receivables are recognised when cash is advanced to borrowers.

Financial assets, not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Loans and receivables are carried at amortised cost using the effective interest yield method, less any provisions for impairment. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(6) Financial instruments (continued)

(iii) Available-for-sale financial assets (continued)
Unquoted equity instruments for which fair values cannot be measured reliably are recognised at cost less impairment.

All gains and losses from disposals and/or changes in the fair value of financial assets at fair value through profit or loss and derivatives held for trading are included in operating income as net trading gains or losses. All gains and losses from disposals of investment securities available for sale are included in operating income as net investment securities gains or losses. Where certain financial assets are hedged and there is ineffectiveness, this is included in operating income as net hedge relationship losses. Dividends are recorded on the accrual basis when declared and are included in investment securities interest and similar income.

(7) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(8) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements (“repos”) are retained in the financial statements as investment securities and the counterparty liability is included in other borrowed funds. Securities purchased under agreements to resell are recorded as loans and advances to other banks or customers as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of repurchase agreements using the effective interest yield method.

(9) Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

(i) significant financial difficulty of the issuer or obligor;
(ii) a breach of contract, such as a default or delinquency in interest or principal payments;
(iii) the Group granting to a borrower, for economic or legal reasons relating to the borrower’s financial difficulty, a concession that the lender would not otherwise consider;
(iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
(v) the disappearance of an active market for that financial asset because of financial difficulties; or
(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
-adverse changes in the payment status of borrowers in the group; or
-national or local economic conditions that correlate with default on the assets in the group.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(9) Impairment of financial assets (continued)

If there is objective evidence that an impairment loss on loans and advances carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount and the recoverable amount, being the estimated present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate.

When a loan is uncollectible, it is written off against the related provisions for impairment; subsequent recoveries are credited to the statement of income and included in loan loss impairment. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the statement of income and included in loan loss impairment.

In circumstances where Central Bank guidelines and regulatory rules require provisions in excess of those calculated under IFRS, the difference is disclosed as an appropriation of retained earnings and is included in a non-distributable general banking reserve.

(10) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition and is reported in the balance sheet as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to the lowest levels for which there are separately identifiable cash flows (cash-generating units) for the purpose of impairment testing. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(ii) Customer-related intangible assets
Customer-related intangible assets represent the fair value of each customer relationship acquired in a business combination, as of the acquisition date, which met the contractual-legal criterion for identification as an intangible asset in the balance sheet separated from goodwill. The fair value of the customer relationships is amortised on a straight line basis over its expected useful life of six years. At each reporting date, an assessment is made to determine whether there are any indications of impairment, and if such an indication exists, then the recoverable amount shall be estimated. If no indicators exist then the test for impairment is not necessary.

(11) Property and equipment

All property and equipment are stated at historical cost less accumulated depreciation, with the exception of land which is not depreciated. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Land and buildings comprise mainly branches and offices.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation on all property and equipment is computed on the straight line method at rates considered adequate to write-off the cost of depreciable assets, less salvage, over their useful lives.

The annual rates used are:

- Buildings	2½%
- Leasehold improvements	10% or over the life of the lease
- Equipment, furniture and vehicles	20 – 50%

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(11) Property and equipment (continued)

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The asset's recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

Gains and losses on disposal of property and equipment are determined by reference to its carrying amount and are taken into account in determining net income.

(12) Leases

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

(13) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash balances, non-restricted deposits with Central Banks (excluding mandatory reserve deposits), treasury bills and other money market placements.

(14) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more than likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(15) Retirement benefit obligations

(i) Pension obligations
The Group operates a number of pension plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the relevant Group companies, taking account of the recommendations of independent qualified actuaries. The Group has both defined benefit plans and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for unrecognised actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability. Most of the pension plans are final salary plans and the charge for such pension plans, representing the net periodic pension cost less employee contributions, is included in staff costs.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(15) Retirement benefit obligations (continued)

(i) Pension obligations (continued)
Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the expected average remaining service lives of the related employees. Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group makes contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs. The Group's contributions to defined contribution pension plans are charged to the statement of income in the year to which they relate.

(ii) Other post retirement obligations
Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the expected average remaining service lives of the related employees. These obligations are valued annually by independent qualified actuaries.

(16) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The principal temporary differences arise from depreciation on property and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. Currently enacted tax rates are used to determine deferred taxes.

Tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which is charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement together with the realised gain or loss.

(17) Borrowings

Borrowings are recognised initially at fair value less transaction costs and are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of income over the period of the borrowings, using the effective interest method.

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(18) Share capital

(i) Share issue costs
Shares issued for cash are accounted for at the issue price less any transaction costs associated with the issue. Shares issued as consideration for the purchase of assets, or a business, are recorded at the market price on the date of the issue.

(ii) Dividends on common shares
Dividends on common shares are recognised in equity in the period in which they are declared. Dividends for the year that are declared after the balance sheet date are not reflected in these financial statements.

(iii) Treasury shares
Where the Bank or other members of the consolidated Group purchase the Bank's equity share capital, the consideration paid is deducted from total equity attributable to the equity holders of the parent as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the equity holders of the parent.

(19) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the parent by the weighted average number of common shares (excluding treasury shares) outstanding during the year. For the diluted earnings per share, the weighted average number of common shares in issue is adjusted to assume conversion of all dilutive potential shares.

(20) Share-based payments to employees

The Group engages in equity settled share-based payment transactions in respect of services rendered from certain of its employees. The cost of the services received is measured by reference to the fair value of the shares or share options granted. The cost related to the shares or share options granted is recognised in the income statement over the period that the services of the employees are received, which is the vesting period, with a corresponding credit to equity.

(21) Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(22) Segment reporting

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Segments with a majority of revenue earned from external customers, and whose revenue, results or assets are 10% or more of all the segments, are reported separately.

(23) Comparatives

Where necessary, comparative figures have been adjusted to comply with changes in presentation in the current year.

(expressed in thousands of United States dollars)

2. Accounting policies (continued)

2.5 Future changes in accounting polices

Certain new standards, and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after November 1, 2009 but which the Group has not early adopted, as follows:

- IAS 1 (Revised), Presentation of Financial Statements
- IAS 23 (Revised), Borrowing Costs
- IAS 24 (Revised), Related Parties
- IAS 27 (Revised), Consolidated and Separate Financial Statements
- IAS 28 (Revised), Investment in Associates
- IAS 31 (Revised), Interests in Joint Ventures
- IAS 32 (Revised), Financial Instruments: Presentation
- IAS 39 (Revised), Financial Instruments: Recognition and Measurement
- IFRS 2 (Revised), Share-Based Payment
- IFRS 3 (Revised), Business Combinations
- IFRS 7 Amendments, Improving Disclosures about Financial Instruments
- IFRS 8 Operating Segments
- IFRIC 9 and IAS 39 Amendments, Embedded Derivatives
- IFRIC 17 Distribution of Non-Cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

IAS 1, IAS 23, IFRS 7 and IFRS 8 are expected to affect the presentation and disclosure requirements for the Group. All other standards and amendments are not expected to have any impact on the Group.

Additionally, in May 2008 and April 2009, the International Accounting Standards Board issued "Improvements to IFRSs", as part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after January 1, 2009. Management has decided not to early adopt the amendments and does not expect their application to have a significant effect.

3. Net interest income

	2009 $	2008 $
Interest and similar income		
Cash & short term funds and due from banks	**12,789**	62,101
Investment securities	**110,023**	109,030
Trading securities	**5,101**	31,394
Loans and advances to customers	**486,899**	520,446
	614,812	722,971
Interest and similar expense		
Customer deposits	**151,750**	240,754
Debt securities in issue	**7,640**	16,483
Borrowed funds and other	**21,927**	7,447
	181,317	264,684
	433,495	458,287

(expressed in thousands of United States dollars)

4. Operating income

	2009 $	2008 $
Net fee and commission income	**68,991**	69,684
Foreign exchange commissions	**44,378**	55,185
Foreign exchange revaluation net gains/(losses)	**707**	(4,601)
Net trading losses	**(9,441)**	(28,243)
Net investment securities gains	**10,685**	380
Net hedging losses	**(5,062)**	(6,425)
Gains on repayment of debt securities (note 22)	**17,648**	—
Other operating income	**6,831**	6,276
	134,737	92,256

Net trading losses have arisen from either disposals and/or changes in the fair value, on both trading securities and derivatives held for trading.

Net investment securities gains have arisen from disposals of investment securities held as available-for-sale.

Net hedging losses have arisen from the difference between the changes in fair value of hedged items in respect of the hedged risk against changes in fair value of the associated hedging instruments.

Analysis of net fee and commission income:

	2009 $	2008 $
Fee and commission income:		
Underwriting fees and commissions	**1,725**	2,406
Deposit services fees and commissions	**40,202**	39,535
Credit services fees and commissions	**10,757**	10,632
Card services net fees and commissions	**15,778**	15,544
Other fees and commissions	**529**	1,567
	68,991	69,684

5. Operating expenses

	2009 $	2008 $
Staff costs	**180,175**	166,301
Property and equipment expenses	**38,969**	42,208
Depreciation (note 15)	**18,513**	24,947
Other operating expenses	**82,061**	80,136
	319,718	313,592
Analysis of staff costs:		
Wages and salaries	**143,071**	138,981
Pension costs - defined contribution plans (note 17)	**4,383**	3,915
Pension costs - defined benefit plans (note 17)	**6,322**	1,910
Post retirement medical benefits charge/(income) (note 17)	**365**	(70)
Other share and cash-based benefits	**2,973**	2,716
Other staff related costs	**23,061**	18,849
	180,175	166,301

(expressed in thousands of United States dollars)

5. Operating expenses (continued)

	2009 $	2008 $
Analysis of other operating expenses:		
Professional fees	**14,100**	14,715
Advertising and marketing	**5,773**	7,642
Business development and travel	**4,782**	6,216
Communications	**9,423**	6,715
Profit on sale of property and equipment	**(946)**	(1,019)
Other	**48,929**	45,867
	82,061	80,136

6. Taxation

	2009 $	2008 $
The components of income tax expense for the year are:		
Current tax	**26,963**	26,541
Deferred tax	**1,845**	(4,508)
Prior year tax	**(1,827)**	187
	26,981	22,220

Tax on the Group's income before tax differs from the theoretical amount that would arise using the Barbados statutory tax rate as follows:

	2009 $	2008 $
Income before taxation and minority interest	**202,182**	201,973
Tax calculated at the statutory tax rate of 25%	**50,546**	50,493
Effect of different tax rates in other countries	**(41,131)**	(41,486)
Effect of change in tax rate	**96**	24
Effect of income not subject to tax	**(8,133)**	(9,347)
Effect of income subject to tax at 12.5%	**(1,481)**	(1,509)
Under provision of prior year deferred tax liability	**1,686**	905
Over/(under) provision of current year corporation tax liability	**1,122**	(111)
Movement in deferred tax asset not recognised	**23,122**	21,896
Effect of expenses not deductible for tax purposes	**1,154**	1,355
	26,981	22,220

(expressed in thousands of United States dollars)

7. Earnings per share

The following table shows the income and share data used in the basic and dilutive earnings per share calculations:

Basic earnings per share

	2009 $	2008 $
Net income attributable to equity holders of the parent	**171,223**	175,276
Weighted average number of common shares for basic earnings per share (thousands)	**1,525,117**	1,524,848
Basic earnings per share (expressed in cents per share)	**11.2**	11.5

Diluted earnings per share

	2009 $	2008 $
Net income attributable to equity holders of the parent	**171,223**	175,276
Weighted average number of common shares for diluted earnings per share (thousands)	**1,525,617**	1,525,639
Diluted earnings per share (expressed in cents per share)	**11.2**	11.5

The share options are considered to be dilutive potential common shares (note 27).

8. Cash and balances with Central Banks

	2009 $	2008 $
Cash	**69,457**	129,910
Deposits with Central Banks - interest bearing	**68,114**	93,179
Deposits with Central Banks - non-interest bearing	**288,058**	265,721
Cash and balances with Central Banks	**425,629**	488,810
Less: Mandatory reserve deposits with Central Banks	**(252,140)**	(232,824)
Included in cash and cash equivalents as per below	**173,489**	255,986

Mandatory reserve deposits with Central Banks represent the Group's regulatory requirement to maintain a percentage of deposit liabilities as cash or deposits with Central Banks. These funds are not available to finance the Group's day-to-day operations and as such, are excluded from cash resources to arrive at cash and cash equivalents.

Cash and cash equivalents

	2009 $	2008 $
Cash and balances with Central Banks as per above	**173,489**	255,986
Due from banks (note 9)	**453,928**	408,944
	627,417	664,930

(expressed in thousands of United States dollars)

9. Due from banks

	2009 $	2008 $
Included in cash and cash equivalents (note 8)	**453,928**	408,944
Greater than 90 days maturity from date of acquisition	**396,659**	87,132
	850,587	496,076

The average effective yield on these amounts during the year was 2.5% (2008 – 2.9%).

10. Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index that is the basis upon which changes in the value of derivatives are measured.

October 31, 2009	Notional amount $	Assets $	Liabilities $
Interest rate swaps	571,876	197	(80,499)
Foreign exchange forwards	329,414	1,378	(6,585)
		1,575	(87,084)

October 31, 2008	Notional amount $	Assets $	Liabilities $
Interest rate swaps	620,210	1,966	(48,387)
Foreign exchange forwards	205,720	178	(7,193)
		2,144	(55,580)

As of October 31, 2009, the Bank has positions in the following types of derivatives:

Interest rate swaps
Interest rate swaps are contractual agreements between two parties to exchange movements in interest rates.

Foreign exchange forwards
Foreign exchange forwards are contractual agreements to buy or sell a specified amount of foreign currency at a future date at an exchange rate fixed at inception of the contract.

Derivative financial instruments held or issued for hedging purposes
As part of its asset and liability management, the Bank uses derivatives for hedging purposes in order to reduce its exposure to specified risks. Fair value hedges are used by the Group to protect it against changes in the fair value of specific financial assets due to movements in interest rates. The financial assets hedged for interest rate risk include fixed interest rate loans and available-for-sale debt securities and are hedged by interest rate swaps.

During the year, the Group recognised losses on effective hedges of $5,062 (2008 - $6,425) due to losses on hedging instruments of $35,405 (2008 - $12,103), partially being offset by gains on hedged items attributable to the hedged risk of $30,343 (2008 - $5,678). These losses are included within operating income as net hedging losses.

During the year, the Group also recognised gains of $4,074 (2008 – losses of $11,886) as a result of failed hedges which are included within operating income as part of net trading losses as these derivatives are classified as trading derivatives upon failure.

(expressed in thousands of United States dollars)

11. Financial assets at fair value through profit or loss

	2009 $	2008 $
Trading securities		
Government bonds	—	4,869
Corporate bonds	—	65,859
Asset-backed securities	—	464,203
	—	534,931
Add: Interest receivable	—	1,286
	—	536,217

The average effective yield on these securities during the year was 4.6% (2008 – 4.1%).

12. Other assets

	2009 $	2008 $
Prepayments and deferred items	**7,759**	6,566
Other accounts receivable	**37,777**	53,368
	45,536	59,934

13. Investment securities

	2009 $	2008 $
Available-for-sale		
Equity securities - unquoted	**550**	571
Government debt securities	**904,965**	817,204
Other debt securities	**821,251**	1,147,904
	1,726,766	1,965,679
Add: Interest receivable	**16,924**	38,590
	1,743,690	2,004,269

The average effective yield during the year on debt securities and treasury bills was 5.5% (2008 – 5.2%). The Group has a regulatory reserve requirement to maintain a percentage of deposit liabilities in cash or in the form of Government securities. At October 31, 2009 the reserve requirement amounted to $617,585 (2008 - $393,794) of which $252,140 (2008 - $232,824) is included within cash and balances with Central Banks (note 8).

Available-for-sale securities in the amount of $14,844 (2008 - $15,037) were pledged as security for investment note certificates issued by the Group (note 20).

The movement in investment securities (excluding interest receivable) is summarised as follows:

	2009 $	2008 $
Balance, beginning of year	**1,965,679**	2,432,953
Additions (purchases, changes in fair value and foreign exchange)	**943,081**	1,119,532
Disposals (sales and redemptions)	**(1,181,994)**	(1,586,806)
Balance, end of year	**1,726,766**	1,965,679

(expressed in thousands of United States dollars)

14. Loans and advances to customers

October 31, 2009

	Mortgages $	Personal Loans $	Business & Government $	Total $
Performing loans	2,301,076	679,442	3,533,541	6,514,059
Impaired loans	212,341	80,768	271,517	564,626
Gross loans	2,513,417	760,210	3,805,058	7,078,685
Less: provisions for impairment	(30,587)	(34,750)	(96,131)	(161,468)
	2,482,830	725,460	3,708,927	6,917,217
Add: Interest receivable				30,962
Less: Unearned fee income				(42,703)
				6,905,476

October 31, 2008

	Mortgages $	Personal Loans $	Business & Government $	Total $
Performing loans	2,353,279	754,254	3,480,154	6,587,687
Impaired loans	142,905	69,167	161,849	373,921
Gross loans	2,496,184	823,421	3,642,003	6,961,608
Less: provisions for impairment	(28,911)	(37,322)	(67,756)	(133,989)
	2,467,273	786,099	3,574,247	6,827,619
Add: Interest receivable				30,017
Less: Unearned fee income				(43,358)
				6,814,278

Movement in provisions for impairment for 2009 is as follows:

	Mortgages $	Personal Loans $	Business & Government $	2009 $
Balance, beginning of year	28,911	37,322	67,756	133,989
Individual impairment	3,404	8,842	29,968	42,214
Collective impairment	75	(1,162)	2,242	1,155
Recoveries	—	1,642	143	1,785
Write offs	(1,803)	(11,894)	(3,978)	(17,675)
Balance, end of year	30,587	34,750	96,131	161,468

(expressed in thousands of United States dollars)

14. Loans and advances to customers (continued)

Movement in provisions for impairment for 2008 is as follows:

	Mortgages $	Personal Loans $	Business & Government $	2008 $
Balance, beginning of year	25,819	29,595	51,309	106,723
Individual impairment	2,657	7,694	18,921	29,272
Collective impairment	405	1,145	1,193	2,743
Recoveries	30	3,922	51	4,003
Write offs	—	(5,034)	(3,718)	(8,752)
Balance, end of year	28,911	37,322	67,756	133,989

Ageing analysis of past due but not impaired loans for 2009

	Mortgages $	Personal Loans $	Business & Government $	2009 $
Less than 30 days	348,338	65,628	275,673	689,639
31 – 60 days	57,477	11,349	125,662	194,488
61– 90 days	28,691	7,514	48,246	84,451
	434,506	84,491	449,581	968,578

Ageing analysis of past due but not impaired loans for 2008

	Mortgages $	Personal Loans $	Business & Government $	2008 $
Less than 30 days	277,373	69,736	192,709	539,818
31 – 60 days	47,119	16,594	128,807	192,520
61– 90 days	309	20	2,805	3,134
	324,801	86,350	324,321	735,472

The average interest yield during the year on loans and advances was 7.4% (2008 – 8.4%). Impaired loans as at October 31, 2009 amounted to $564,626 (2008 - $373,921) and interest taken to income on impaired loans during the year amounted to $5,453 (2008 - $3,671).

Loans and advances to customers include finance lease receivables:

	2009 $	2008 $
No later than 1 year	**12,254**	21,004
Later than 1 year and no later than 5 years	**23,821**	2,872
Later than 5 years	**57**	13,233
Gross investment in finance leases	**36,132**	37,109
Unearned future finance income on finance leases	**(9,711)**	(9,703)
Net investment in finance leases	**26,421**	27,406

(expressed in thousands of United States dollars)

15. Property and equipment

October 31, 2009	Land and buildings $	Equipment, furniture and vehicles $	Leasehold improvements $	Total $
Cost				
Balance, beginning of year	96,646	171,675	25,181	293,502
Purchases	1,437	12,152	1,168	14,757
Disposals	(1,923)	(2,712)	(574)	(5,209)
Balance, end of year	96,160	181,115	25,775	303,050
Accumulated depreciation				
Balance, beginning of year	27,292	126,711	12,343	166,346
Depreciation	2,771	14,082	1,660	18,513
Disposals	(626)	(1,817)	(354)	(2,797)
Balance, end of year	29,437	138,976	13,649	182,062
Net book value, end of year	66,723	42,139	12,126	120,988

October 31, 2008	Land and buildings $	Equipment, furniture and vehicles $	Leasehold improvements $	Total $
Cost				
Balance, beginning of year	97,801	161,250	19,917	278,968
Purchases	44	12,106	5,354	17,504
Disposals	(1,199)	(1,681)	(90)	(2,970)
Balance, end of year	96,646	171,675	25,181	293,502
Accumulated depreciation				
Balance, beginning of year	24,737	107,311	10,918	142,966
Depreciation	3,034	20,423	1,490	24,947
Disposals	(479)	(1,023)	(65)	(1,567)
Balance, end of year	27,292	126,711	12,343	166,346
Net book value, end of year	69,354	44,964	12,838	127,156

Included as part of equipment, furniture and vehicles is an amount for $12,103 (2008 – $13,527) relating to systems development costs and work in progress which is incomplete and not yet in operation and on which no depreciation has been charged.

(expressed in thousands of United States dollars)

16. Deferred income taxes

The movement on the deferred income tax account was as follows:

	2009 $	2008 $
Deferred tax position, beginning of year	**14,248**	4,670
Deferred tax (charge)/credit to statement of income for the year	**(1,845)**	4,508
Deferred tax (charge)/credit to equity for the year	**(3,301)**	5,070
Net deferred tax position, end of year	**9,102**	14,248

	2009 $	2008 $
Represented by:		
Deferred tax assets	**12,987**	15,768
Deferred tax liabilities	**(3,885)**	(1,520)
Net deferred tax position, end of year	**9,102**	14,248

	2009 $	2008 $
The components of the net deferred tax position are:		
Accelerated tax depreciation	**1,016**	1,783
Loan loss provisions	**795**	1,032
Other provisions	**3,331**	5,492
Tax losses carried forward	**8,614**	7,046
Pension and other post retirement benefit assets	**(6,423)**	(6,175)
Changes in fair value of available-for-sale investment securities in equity	**1,769**	5,070
	9,102	14,248

The deferred tax includes tax losses of $34,456 (2008 - $28,185), which will expire between 2011 and 2018.

The Group has tax losses of $434,400 (2008 - $366,042) for which no deferred tax assets have been recognised due to uncertainty of their recoverability. These losses will expire between 2010 and 2018.

(expressed in thousands of United States dollars)

17. Retirement benefit assets and obligations

The Group has insured group health plans and a number of pension schemes. The pension schemes are a mixture of defined benefit and defined contribution plans. Most of the defined benefit pension plans are non-contributory and allow for additional voluntary contributions. The insured health plans allow for retirees to continue to receive health benefits during retirement. The plans are valued by independent actuaries every three years using the projected unit credit method.

The total expense charged for the year was $4,383 (2008 - $3,915) represents contributions to defined contribution plans by the Group at rates specified in the rules of the plan. Refer to Note 5.

The amounts recognised on the balance sheet were determined as follows:

	Defined benefit pension plans		**Post retirement medical benefits**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Fair value of plan assets	**234,036**	228,285	**—**	—
Present value of obligations	**(212,865)**	(194,733)	**(7,313)**	(6,882)
	21,171	33,552	**(7,313)**	(6,882)
Unrecognised actuarial gains/(losses)	**26,971**	12,749	**(742)**	(1,065)
Limit on economic value of surplus	**(2,672)**	(1,496)	**—**	—
Net asset/(obligation)	**45,470**	44,805	**(8,055)**	(7,947)

The pension plan assets include the Bank's common shares with a fair value of $1,711 (2008 - $2,359).

Changes in the fair value of the defined benefit pension plan assets were as follows:

	2009	**2008**
	$	**$**
Opening fair value of plan assets	**228,285**	269,205
Expected return	**18,011**	20,112
Contributions by employer	**8,852**	24
Benefits paid	**(3,479)**	(6,876)
Foreign exchange translation losses	**(4,173)**	(3,293)
Actuarial losses	**(13,460)**	(50,887)
Closing fair value of plan assets	**234,036**	228,285

Changes in the present value of the obligations for defined benefit pension plans were as follows:

	2009	**2008**
	$	**$**
Opening obligations	**194,733**	178,533
Interest cost	**14,862**	13,236
Current service cost	**7,901**	8,198
Benefits paid	**(3,479)**	(6,876)
Foreign exchange translation gains	**(2,087)**	(1,457)
Actuarial losses on obligations	**935**	3,099
Closing obligations	**212,865**	194,733

(expressed in thousands of United States dollars)

17. Retirement benefit assets and obligations (continued)

Changes in the present value of the obligations for post retirement medical benefits were as follows:

	2009 $	2008 $
Opening obligations	**6,882**	5,135
Interest cost	**470**	340
Current service cost	**163**	149
Benefits paid	**(181)**	(160)
Foreign exchange translation gains	**(21)**	(17)
Actuarial losses on obligations	**—**	1,435
Closing obligations	**7,313**	6,882

The Bank expects to contribute $6,266 (2008 - $9,640) to its defined benefit pension plan in the following year.

The amounts recognised in the statement of income were as follows:

	Defined benefit pension plans		Post retirement medical benefits	
	2009 $	2008 $	2009 $	2008 $
Current service cost	**7,901**	8,198	**163**	149
Interest cost	**14,862**	13,236	**470**	340
Expected return on plan assets	**(18,011)**	(20,112)	**—**	—
Net actuarial loss/(gain) recognised during the year	**394**	(908)	**(268)**	(559)
Limit on economic value of surplus	**1,176**	1,496	**—**	—
Total amount included in staff costs (note 5)	**6,322**	1,910	**365**	(70)
Actual return/(loss) on plan assets	**4,551**	(30,775)	**—**	—

The movements in the net asset/(obligation) recognised on the balance sheet were as follows:

	Defined benefit pension plans		Post retirement medical benefits	
	2009 $	2008 $	2009 $	2008 $
Balance, beginning of year	**44,805**	47,307	**(7,947)**	(8,391)
Charge for the year	**(6,322)**	(1,910)	**(365)**	70
Contributions by employer	**8,852**	24	**—**	—
Benefits paid	**—**	—	**181**	160
Foreign exchange translation (losses)/gains	**(1,865)**	(616)	**76**	214
Balance, end of year	**45,470**	44,805	**(8,055)**	(7,947)

(expressed in thousands of United States dollars)

17. Retirement benefit assets and obligations (continued)

The major categories of plan assets as a percentage of the fair value of total plan assets were as follows:

	Main Plan %		Bahamas Plan %		Jamaica Plan %	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Equity instruments	52	59	51	60	12	20
Debt instruments	46	41	46	39	42	37
Property	—	—	—	—	28	28
Other assets	2	—	3	1	18	15

The principal actuarial assumptions used at the balance sheet date were as follows:

	Defined benefit pension plans	
	2009	**2008**
Discount rate	6.0 – 18.0%	6.0 – 13.0%
Expected return on plan assets	7.0 – 13.5%	7.0 – 12.5%
Future salary increases	4.5 – 16.0%	4.5 – 11.0%
Future pension increases	0.0 – 12.0%	0.0 – 4.0%

	Post retirement medical benefits	
	2009	**2008**
Discount rate	6.0 – 18.0%	6.0 – 13.0%
Premium escalation rate	4.5 – 5.0%	4.5 – 10.0%
Existing retiree age	60 – 65	60 – 65

An increase of 1% in the assumed medical cost trend rate for each future year would have resulted in a higher defined benefit obligation of $8,410 at October 31, 2009 (2008 - $7,960) and a higher charge for the year of $730 (2008 - $570). A decrease of 1% in the medical cost trend rate for each future year would have resulted in a lower defined benefit obligation of $6,400 at October 31, 2009 (2008 - $6,010) and a lower charge for the year of $550 (2008 - $420).

Defined benefit pension plan amounts for the current and previous four years were as follows:

	2009 $	2008 $	2007 $	2006 $	2005 $
Fair value of the plan assets	234,036	228,285	269,205	244,545	230,550
Present value of obligations	(212,865)	(194,733)	(178,533)	(166,505)	(148,730)
	21,171	33,552	90,672	78,040	81,820

a) **FirstCaribbean International Bank Limited Retirement Plan**
The last actuarial valuation was conducted as at November 1, 2007 and revealed a fund surplus of $35,800.

b) **FirstCaribbean International Bank (Bahamas) Limited Retirement Plan**
The last actuarial valuation was conducted as at November 1, 2007 and revealed a fund surplus of $31,700.

c) **FirstCaribbean International Bank (Jamaica) Limited Retirement Plan**
The last actuarial valuation was conducted as at October 31, 2006 and revealed a fund surplus of $12,928.

(expressed in thousands of United States dollars)

18. Intangible assets

	Goodwill $	Customer related intangible $	Total 2009 $	Total 2008 $
Cost				
Balance, beginning and end of year	334,907	17,748	352,655	352,655
Accumulated amortisation				
Balance, beginning of year	—	8,142	8,142	5,179
Amortisation	—	2,963	2,963	2,963
Balance, end of year	—	11,105	11,105	8,142
Net book value, end of year	334,907	6,643	341,550	344,513

i) Goodwill

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation. This allocation is presented below.

	2009 $	2008 $
St. Vincent	**946**	946
Barbados (Offshore Operations)	**17,040**	17,040
Bahamas	**177,920**	177,920
Cayman	**105,369**	105,369
Trinidad	**4,260**	4,260
Curaçao	**29,372**	29,372
	334,907	334,907

The recoverable amount for each group of cash-generating units has been determined using value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a three year period. Cash flows beyond the three year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the country in which the CGU operates.

Key assumptions used for value-in-use calculations

A description of each assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts is noted below. Key assumptions are those to which the CGUs recoverable amount is most sensitive.

	Discount Rate		Growth Rate	
	2009 %	2008 %	2009 %	2008 %
St. Vincent	12	12	2	3
Barbados (Offshore Operations)	9	12	4	7
Bahamas	11	13	3	4
Cayman	10	13	2	5
Trinidad	14	14	5	10
Curaçao	12	12	2	5

(expressed in thousands of United States dollars)

18. Intangible assets (continued)

ii) Customer-related intangible assets

Customer-related intangible assets represent the fair value of each customer relationship acquired in a business combination, as of the acquisition date, which met the contractual-legal criterion for identification as an intangible asset in the balance sheet separated from goodwill. The fair value of the customer relationships is amortised on a straight line basis over its expected useful life of six years.

19. Customer deposits

	Payable on demand $	Payable after notice $	Payable at a fixed date $	2009 Total $	2008 Total $
Individuals	417,469	1,672,719	1,523,046	3,613,234	3,741,001
Business and Governments	1,926,243	639,560	2,309,707	4,875,510	5,253,981
Banks	55,521	—	85,622	141,143	171,043
	2,399,233	2,312,279	3,918,375	8,629,887	9,166,025
Add: Interest payable	1,595	827	26,044	28,466	30,024
	2,400,828	2,313,106	3,944,419	8,658,353	9,196,049

The average effective rate of interest on deposits during the year was 1.8% (2008 – 2.5%).

20. Other borrowed funds

	2009 $	2008 $
Investment note certificates and other fund raising instruments	**36,649**	21,813
Add: Interest payable	**1,840**	1,922
	38,489	23,735

The average effective rate of interest on other borrowed funds during the year was 6.2% (2008 – 4.0%).

Investment note certificates issued by the Group amounting to $14,844 (2008 - $15,037) are secured by debt securities referred to in note 13.

21. Other liabilities

	2009 $	2008 $
Accounts payable and accruals	**54,185**	65,971
Amount due to related parties	**63**	994
	54,248	66,965

The amount due to related parties is due to CIBC entities and is interest-free with no fixed terms of repayment.

(expressed in thousands of United States dollars)

22. Debt securities in issue

	2009 $	2008 $
USD$200 million guaranteed subordinated floating rate notes due 2015	**93,427**	199,420
JMD$1,500 million unsubordinated floating rate notes due 2012	**—**	6,600
TT$195 million subordinated fixed rate notes due 2017	**30,794**	31,240
	124,221	237,260
Add: Interest payable	**401**	1,272
	124,622	238,532

In 2005, the Group issued floating-rate notes with a face value of $200,000 through its Cayman subsidiary. The notes are denominated in United States dollars. The interest rate on the notes is reset every 3 months at the USD 3 month LIBOR interest rate plus 70 basis points during the first 5 years. The notes are payable at the option of the Bank in 2010 and are guaranteed on a subordinated basis by the Parent and two fellow subsidiary companies. The notes are listed on the Luxembourg Exchange. During the year, the Bank repaid $105,993 of this debt. The average effective interest rate during 2009 was 2.7% (2008 – 4.8%).

In April 2007, the Group issued unsubordinated term redeemable floating rate notes with a face value of JMD $1,500,000 (USD $23,000) through its Jamaica subsidiary due April 2012. During the year, these notes were fully repaid. The interest on the notes was payable at a rate of the weighted average Government Growth Treasury plus 1.65% per annum. The average effective interest rate during 2009 was 20.0% (2008 – 14.9%).

In March 2007, the Group issued subordinated term notes with a face value of TT $195,000 (USD $31,000) through its Trinidad subsidiary due in March 2017. The interest on the notes will be fixed for the first two years at 7.90%; then fixed for the next three years at 8.15%; thereafter fixed at 8.75% for the remaining term. The average effective interest rate during 2009 was 8.1% (2008 – 7.9%).

23. Issued capital

	2009 $	2008 $
Balance, beginning and end of year	**1,117,349**	1,117,349

The Bank is entitled to issue an unlimited number of common shares with no par value. Common shareholders are entitled to attend and vote at all meetings of shareholders. Common shareholders have one vote for each share owned.

The Bank had 1,525,176,762 shares issued and outstanding at the beginning and end of the year.

Capital

Objectives, policies and procedures
Capital strength provides protection for depositors and creditors and allows the Group to undertake profitable business opportunities as they arise. Our objective is to employ a strong and efficient capital base. We manage capital in accordance with policies established by the Board. These policies relate to capital strength, capital mix, dividends and return of capital, and the unconsolidated capital adequacy of regulated entities. Each policy has associated guidelines, and capital is monitored continuously for compliance.

Each year a capital plan and three-year outlook are established, which encompass all the associated elements of capital: forecasts of sources and uses, maturities, redemptions, new issuance, corporate initiatives, and business growth. The capital plan is stress-tested in various ways to ensure that it is sufficiently robust under all reasonable scenarios. All of the elements of capital are monitored throughout the year, and the capital plan is adjusted as appropriate.

There were no significant changes made in the objectives, policies and procedures during the year.

(expressed in thousands of United States dollars)

23. Issued capital (continued)

Capital (continued)

Regulatory requirements
Our regulatory capital requirements are determined in accordance with guidelines issued by our banking regulators across the region and in the case of Barbados, by the Central Bank of Barbados. These guidelines evolve from the framework of risk-based capital standards developed by the Basel Committee, Bank of International Settlement (BIS).

BIS standards require that banks maintain minimum Tier I and Tier I & Tier II ratios of 4% and 8% respectively. The Central Bank of Barbados has established that FirstCaribbean International Bank Limited maintains a minimum combined ratio of 14%. During the year, we have complied in full with all of our regulatory capital requirements.

Regulatory capital
Regulatory capital consists of Tier I and Tier II capital, less certain deductions. Tier I Capital comprises common stock, retained earnings, and minority equity interest in consolidated subsidiaries, less goodwill and other deductions. Tier II Capital principally comprises hybrid capital instruments such as subordinated debt and general provisions and 45% of revaluation reserves on available-for-sale securities.

As at October 31, 2009, Tier I and Tier I & Tier II Capital ratios were 19% and 22% respectively (2008 – 17% and 20% respectively).

24. Treasury shares

	2009	**2008**
	$	**$**
Balance, beginning of year	**(500)**	(1,418)
Net disposal of treasury shares	**500**	918
Balance, end of year	**—**	(500)

As at October 31, 2009, the Bank held no treasury shares (October 31, 2008 – 267,587 treasury shares).

Where the Bank or other members of the consolidated Group purchase the Bank's equity share capital, the consideration paid is deducted from total equity attributable to equity holders of the parent as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in total equity attributable to equity holders of the parent.

(expressed in thousands of United States dollars)

25. Reserves

	2009 $	2008 $
Statutory and general banking reserves	**222,493**	194,895
Revaluation reserve – available-for-sale investment securities	**11,820**	(99,753)
Translation reserve	**(20,572)**	(7,255)
Share-based payment reserve	**—**	625
Contributed surplus reserve	**3,119**	3,119
Reverse acquisition reserve	**(463,628)**	(463,628)
Total reserves	**(246,768)**	(371,997)

The movements in reserves were as follows:

Statutory and general banking reserve	2009 $	2008 $
Balance, beginning of year	**194,895**	165,322
Transfers from retained earnings	**27,598**	29,573
Balance, end of year	**222,493**	194,895

Statutory reserves represents accumulated transfers from net income in accordance with local legislation and general banking reserves represents transfers from retained earnings to meet qualifying capital requirements under local legislation which are not distributable.

Revaluation reserve – available-for-sale investment securities	2009 $	2008 $
Balance, beginning of year	**(99,753)**	790
Net gains/(losses) from changes in fair value of available-for-sale investment securities	**111,573**	(100,543)
Balance, end of year	**11,820**	(99,753)

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity through the revaluation reserve.

Translation reserve	2009 $	2008 $
Balance, beginning of year	**(7,255)**	(7,738)
Foreign currency translation difference arising during the year	**(13,317)**	483
Balance, end of year	**(20,572)**	(7,255)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of such investments, are recorded in shareholders' equity through the translation reserve.

(expressed in thousands of United States dollars)

25. Reserves (continued)

Share-based payment reserve	2009 $	2008 $
Balance, beginning of year	**625**	1,887
Shares issued during the year	**(625)**	(1,262)
Balance, end of year	**—**	625

Previously, the Group engaged in equity settled share-based payment transactions in respect of services rendered from certain of its employees. The cost of the services received was measured by reference to the fair value of the shares or share options granted. The cost related to the shares or share options granted was recognised in the statement of income over the period that the services of the employees are received, which is the vesting period, with a corresponding credit to equity through this reserve account. The Group has changed to cash based payment transactions and as such, the remaining share based transactions were completed during 2009 (refer to note 27).

Contributed surplus reserve	2009 $	2008 $
Balance, beginning and end of year	**3,119**	3,119

This reserve represents the settlement of certain obligations on behalf of the Bank by the parent.

Reverse acquisition reserve	2009 $	2008 $
Balance, beginning and end of year	**(463,628)**	(463,628)

Under the combination on October 11, 2002, CIBC West Indies became the legal parent company with Barclays transferring its operations to subsidiaries of CIBC West Indies in exchange, ultimately, for common shares and newly created classes of non-voting and preference shares of CIBC West Indies. Barclays was identified as the acquirer as the fair value of its business prior to the combination was significantly greater than the fair value of CIBC West Indies' business and as a result Barclays had the greater economic interest. This situation is described by IFRS as a reverse acquisition.

In accordance with IFRS, the equity of the Bank at October 11, 2002 (the date of the combination) comprised the equity of Barclays ($135,290) together with the fair value of the consideration given to acquire CIBC West Indies ($848,149). However, legally the share capital and statutory reserves of the Bank comprise the issued share capital and statutory reserves of CIBC West Indies plus the shares issued to effect the combination, recorded at fair value. The reverse acquisition reserve is therefore the difference between the legally required share capital and statutory reserves together with the retained earnings of Barclays, and the equity of the Bank presented in accordance with IFRS.

26. Dividends

As at October 31, 2009, the Directors recommended for approval a final common share dividend, which is not reflected in these financial statements, of three cents ($0.0300) per common share (2008 - $0.0300), bringing the total dividend payout for 2009 to six cents ($0.0600) per common share (2008 - $0.0600).

27. Other employee benefits

Stock option plan

One of the predecessor organisations, CIBC West Indies, had a stock option plan. Under the rules of the plan, options to purchase common shares in the Bank were granted to employees that entitled the employee to purchase common shares of the Bank at the market price (strike price) of the shares on the date of granting the options. The options vest over a four-year period and the maximum period within which an option may be exercised is ten years. In February 1999, 1,775,000 options were granted to current employees at a strike price of one dollar and seventy-two cents ($1.72) per share.

To date no further options have been granted. During 2009, no options were exercised (2008 – 550,000) and no options were forfeited. The number of options outstanding as at October 31, 2009 amounted to 500,000 (2008 – 500,000).

There are no expenses arising from this plan as the vesting period has passed and liabilities at October 31, 2009 amounted to $nil (2008- $57).

Long term incentive plan

The Group operates a long term incentive plan whereby under the rules of the plan, awards are granted to employees on a discretionary basis and vest over varying periods. Prior to October 31, 2008, these awards were share-based awards whereby common shares of the Bank were granted to employees on a discretionary basis and the shares vested over varying periods. Effective from November 1, 2008, the plan was changed to a cash based award whereby cash is granted to employees on a discretionary basis and vest over varying periods.

The cash award granted in 2009 amounted to $1,530 (2008 – $2,610). The amounts expensed during the year related to these cash awards were $1,877 (2008 - $1,772). All shares under the previous plan have vested.

Employee share purchase plan

Under our Employee Share Purchase Plan, qualifying employees can choose each year to have up to 10% of their eligible earnings withheld to purchase common shares in the Bank. The Bank matches 50% of the employee contribution amount, up to a maximum contribution of 6% of eligible earnings, depending upon length of service and job level. The Bank contributions vest after employees have two years of continuous participation in the plan, and all subsequent contributions vest immediately.

All contributions are paid into a trust and used by the plan trustees to purchase common shares in the open market. The Bank contributions are expensed as incurred and totalled $1,096 in 2009 (2008 - $634).

(expressed in thousands of United States dollars)

28. Related party transactions and balances

The Group's major shareholder is CIBC.

A number of banking transactions are entered into with related parties in the normal course of business. The key related party balances and transactions included in the Group's financials are disclosed below.

	Directors and key management personnel		Major shareholder	
	2009	2008	2009	2008
	$	$	$	$
Asset balances:				
Cash and due from banks	—	—	**425,735**	19,647
Loans and advances to customers	**5,820**	4,638	—	—
Derivative financial instruments	—	—	**1,547**	285
Liability balances:				
Customer deposits	**21,235**	8,055	**590**	8,414
Derivative financial instruments	—	—	**65,684**	39,660
Revenue transactions:				
Interest income earned	**328**	147	**506**	9,445
Other revenue	**5**	—	—	—
Expense transactions:				
Interest expense incurred	**177**	221	**1,673**	199
Other expenses for banking and support services	—	—	**888**	652

	2009	2008
	$	$
Key management compensation		
Salaries and other short-term benefits	**8,030**	7,658
Post-employment benefits	**473**	421
Long term incentive benefits	**304**	1,388
	8,807	9,467

Non-Executive Directors' remuneration

A listing of the members of the Board of Directors is included within the Group's Annual Report. In 2009, the total remuneration for the non-executive directors was $207 (2008 - $108). The Executive Directors remuneration is included under key management compensation.

(expressed in thousands of United States dollars)

29. Commitments, guarantees and contingent liabilities

The bank conducts business involving letters of credit, guarantees, performance bonds and indemnities, which are not reflected in the balance sheet.

	2009 $	2008 $
Letters of credit	**98,861**	95,878
Loan commitments	**737,471**	813,123
Guarantees and indemnities	**175,272**	160,297
	1,011,604	1,069,298

The Group is the subject of legal actions arising in the normal course of business. Management considers that the liability, if any, of these actions would not be material beyond what is already provided for in these financial statements.

30. Future rental commitments under operating leases

As at October 31 the Group held leases on buildings for extended periods. The future rental commitments under these leases were as follows:

	2009 $	2008 $
Not later than 1 year	**6,733**	7,142
Later than 1 year and less than 5 years	**9,527**	15,210
Later than 5 years	**372**	1,942
	16,632	24,294

31. Fiduciary activities

The Group provides custody and trustee discretionary investment management services to third parties. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the balance sheet date, the Group had investment assets under administration on behalf of third parties amounting to $3,097,246 (2008 - $2,218,723).

32. Business segments

Effective November 1, 2008, the Group re-organised its lines of business by streamlining from five to two lines of business to establish a more customer-centric organisation with greater emphasis on collaboration and sharing of knowledge, improved productivity and innovation.

The previous five main lines of business were Retail Banking; Credit Card Banking; Corporate Banking; Wealth Management; and Capital Markets. The two new lines of business are called Retail & Wealth Management (R&WM) and Corporate Investment Banking (CIB) and are supported by two separately reportable functional operating units, namely Treasury and Other.

The Wealth Management line of business was segregated and merged as follows:
- Personal Wealth and International Mortgage business were merged as part of R&WM; and
- Corporate International Wealth business was merged as part of Corporate Banking within CIB.

The Credit Card Banking line of business was segregated and merged as follows:
- Issuing business was merged as part of R&WM; and
- Acquiring business was merged as part of Corporate Banking under CIB.

The Capital Markets line of business, along with the Corporate Finance unit of the previous Corporate Banking line of business were merged to form the Investment Banking unit of CIB to better leverage our resources to meet clients' needs.

32. Business segments (continued)

Retail and Wealth Management (R&WM)

This line of business provides a full range of financial products and services to individuals. Clients can access our services and products through our network of branches in the Caribbean, as well as, use the convenience of ABMs, Internet Banking, Telephone Banking and Cards (Issuing). Our Wealth Management centres help individuals achieve their financial goals through an array of investment products, deposit accounts, loans, mortgages and other services.

For Personal Wealth Management clients and Domestic clients who meet the Wealth Management criteria, the Bank offers traditional day-to-day banking services; investment advice; and a relationship management offering of being pro-active on client needs. The International Mortgage group provides funding in U.S. dollars, and other 'hard currencies' typically to non-residents of the Caribbean seeking to purchase homes in the Caribbean for personal/investment use.

Corporate Investment Banking (CIB)

This line of business comprises two sub-segments: Corporate Banking and Investment Banking.

Corporate banking provides a full range of corporate and commercial banking services, including Cards Merchant Acquiring business, to large and mid-size corporate and small businesses, governments, financial institutions, international trading companies and private wealth vehicles throughout the Caribbean. The Corporate International Wealth unit specialises in providing banking services to businesses and professional intermediaries who use international financial centres.

Investment Banking provides debt and equity capital markets and corporate finance products and services to large corporations, financial institutions and governments.

Treasury (TST)

Treasury manages the interest rate, foreign exchange and liquidity risk of the Group. In addition, TST conducts foreign exchange transactions on behalf of Bank clients and hedges fixed rate loans and investments with interest rate swaps.

Other

Other comprises all functional groups, excluding TST, that support the Bank's lines of business. These functional groups hold income statement and balance sheet items that are not directly attributable to the lines of business and include eliminations. The revenues and expenses of the functional groups are generally allocated to the lines of business.

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding costs transfers. Interest charged for these funds is based on the Group's funds transfer pricing.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet, but exclude items such as taxation and intangible assets.

Internal charges and transfer pricing adjustments are reflected in the performance of each business.

Effective November 1, 2008, the Group changed its transfer pricing methodology. The comparative year however was not restated to reflect these changes, as it was deemed impracticable to determine the cumulative effect at the beginning of the current period, of applying the new methodology to the prior period. Consequently, the impact of the new methodology will be reflected prospectively.

(expressed in thousands of United States dollars)

32. **Business segments (continued)**

	R & WM $	CIB $	TST $	Other $	Group $
October 31, 2009					
External revenues	272,146	347,529	149,285	(19,411)	749,549
Revenues from other segments	1,737	(22,562)	49,180	(28,355)	—
Total revenues	273,883	324,967	198,465	(47,766)	749,549
Segment result	(10,896)	132,890	94,032	(13,844)	202,182
Taxation					26,981
Net income for the year					175,201
Segment assets	3,189,210	4,362,005	4,811,429	(2,223,693)	10,138,951
Unallocated assets					363,626
Total assets					10,502,577
Segment liabilities	3,977,156	4,148,105	3,140,828	(2,295,238)	8,970,851
Unallocated liabilities					12,957
Total liabilities					8,983,808

	R & WM $	CIB $	TST $	Other $	Group $
October 31, 2008 (restated)					
External revenues	346,337	400,937	61,468	6,485	815,227
Revenues from other segments	77,903	8,447	32,175	(118,525)	—
Total revenues	424,240	409,384	93,643	(112,040)	815,227
Segment result	63,397	191,885	(17,365)	(35,944)	201,973
Taxation					22,220
Net income for the year					179,753
Segment assets	3,492,843	4,378,379	5,428,921	(2,726,454)	10,573,689
Unallocated assets					366,465
Total assets					10,940,154
Segment liabilities	4,887,987	4,364,525	3,031,215	(2,694,919)	9,588,808
Unallocated liabilities					15,551
Total liabilities					9,604,359

Geographical segments are set out in note 33 (c).

33. Financial risk management

A. Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

By its nature the Group's activities are principally related to the use of financial instruments. The Group accepts deposits from customers at both fixed and floating rates and for various periods and seeks to earn an interest margin by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing. The Group also enters into guarantees and other commitments such as letters of credit and performance and other bonds.

B. Credit risk

Credit risk primarily arises from direct lending activities, as well as, trading, investment and hedging activities. Credit risk is defined as the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with agreed terms.

Process and control
The Credit Risk Management Department (CRMD) is responsible for the provision of the Group's adjudication, oversight and management of credit risk within its portfolios. The Credit Executive Committee (CrExCo) of CRMD has responsibility for monitoring credit metrics, providing direction on credit issues and making recommendations on credit policy.

CRMD is guided by the Group's Delegation of Authority policy which is based on the levels of exposure and risk. Credits above the discretion delegated to the front line business are approved by CRMD and above this level by Credit Committee and the Risk & Conduct Review Committee of the Board (R&CRC). The R&CRC also has the responsibility for setting policy and key risk limits including portfolio limits which are reviewed annually.

Credit risk limits
Credit limits are established for all loans (mortgages, personal and business & government) for the purposes of diversification and managing concentration. These include limits for individual borrowers, groups of related borrowers, industry sectors, country and geographic regions and products or portfolios.

Collateral
The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances to customers are:

- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over financial instruments such as debt securities and equities

The Group's credit risk management policies include requirements relating to collateral valuation and management, including verification requirements and legal certainty. Valuations are updated periodically depending upon the nature of the collateral. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement during its periodic review of loan accounts in arrears. Policies are in place to monitor the existence of undesirable concentration in the collateral supporting the Group's credit exposure.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

B. Credit risk (continued)

Geographic distribution

The following table provides a geographic distribution of gross drawn and undrawn loans and advances to customers which therefore excludes provisions for impairment, interest receivable and unearned fee income.

	Drawn $	Undrawn $	Gross Maximum Exposure 2009 $	Drawn $	Undrawn $	Gross Maximum Exposure 2008 $
Barbados	910,790	174,088	1,084,878	898,521	169,126	1,067,647
Bahamas	2,258,070	161,678	2,419,748	2,300,990	174,353	2,475,343
Cayman	1,332,393	103,260	1,435,653	1,417,776	117,693	1,535,469
Eastern Caribbean	906,215	96,772	1,002,987	907,732	115,311	1,023,043
Jamaica	401,803	55,105	456,908	469,374	49,516	518,890
BVI	161,612	17,587	179,199	170,804	18,338	189,142
Belize	85,393	13,687	99,080	91,932	15,223	107,155
Curacao	97,074	9,325	106,399	59,869	11,837	71,706
Other	925,335	105,969	1,031,304	644,610	141,726	786,336
	7,078,685	737,471	7,816,156	6,961,608	813,123	7,774,731

Exposures by Industry Groups

The following table provides an industry-wide break down of gross drawn and undrawn loans and advances to customers which therefore excludes provisions for impairment, interest receivable and unearned fee income.

	Drawn $	Undrawn $	Gross Maximum Exposure 2009 $	Drawn $	Undrawn $	Gross Maximum Exposure 2008 $
Agriculture	60,069	4,680	64,749	55,801	6,362	62,163
Governments	669,427	25,960	695,387	638,453	42,756	681,209
Construction	822,509	47,154	869,663	857,953	94,063	952,016
Distribution	450,126	113,540	563,666	488,445	105,671	594,116
Education	10,741	—	10,741	90	—	90
Electricity, gas & water	65,348	6,059	71,407	89,230	5,091	94,321
Fishing	70,368	4,938	75,306	73,746	6,343	80,089
Health & social work	17,672	14,426	32,098	618	—	618
Hotels & restaurants	609,712	18,721	628,433	577,772	18,512	596,284
Individuals & individual trusts	2,091,275	312,352	2,403,627	2,088,714	285,019	2,373,733
Manufacturing	148,417	38,590	187,007	184,677	45,179	229,856
Mining & quarrying	27,809	2,103	29,912	31,275	803	32,078
Miscellaneous	1,061,187	64,426	1,125,613	950,115	96,851	1,046,966
Other financial corporations	58,137	48,914	107,051	50,940	30,715	81,655
Real estate, renting & other business activities	772,301	24,341	796,642	722,035	66,100	788,135
Transport, storage & communication	143,587	11,267	154,854	151,744	9,658	161,402
	7,078,685	737,471	7,816,156	6,961,608	813,123	7,774,731

33. Financial risk management (continued)

B. Credit risk (continued)

Impaired financial assets and provision for credit losses

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty, borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

The exposure to any one counterparty including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral including corporate and personal guarantees.

Derivatives

The Group maintains strict control limits on net open derivative positions, that is, the difference between purchase and sale contracts, by both amount and term. At any one time the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Group (i.e. assets), which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Long-dated derivative exposures, primarily interest rate and foreign currency swaps, usually have bilateral margin requirements, set at nominal thresholds, to minimise counterparty credit exposure.

Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period since it is affected by each transaction subject to the arrangement.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods or appropriate assets to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term of maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

B. Credit risk (continued)

Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk for the components of the balance sheet. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral arrangements.

	Gross maximum exposure	
	2009	**2008**
	$	**$**
Balances with Central Banks	**356,172**	358,900
Due from banks	**850,587**	496,076
Derivative financial instruments	**1,575**	2,144
Financial assets at fair value through profit or loss		
-Government bonds	**—**	4,869
-Corporate bonds	**—**	65,859
-Asset-backed securities	**—**	464,203
-Interest receivable	**—**	1,286
Investment securities		
-Government debt securities	**904,965**	817,204
-Other debt securities	**821,251**	1,147,904
-Interest receivable	**16,924**	38,590
Loans and advances to customers		
-Mortgages	**2,513,417**	2,496,184
-Personal loans	**760,210**	823,421
-Business and government loans	**3,805,058**	3,642,003
-Interest receivable	**30,962**	30,017
Other assets	**45,536**	59,934
Total	**10,106,657**	10,448,594
Off-balance sheet exposures	**1,011,604**	1,069,298
Total credit risk exposure	**11,118,261**	11,517,892

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

C. Geographical concentration of assets, liabilities, off-balance sheet items, revenues and capital expenditure

The following table reflects additional geographical concentration information.

	Total assets $	Total liabilities $	Off-balance sheet items $	Revenues $	Capital expenditure $
October 31, 2009					
Barbados	2,776,476	1,886,217	224,062	239,043	4,408
Bahamas	3,247,194	2,595,134	252,722	208,855	2,308
Cayman	1,802,882	1,398,173	135,760	125,252	456
Eastern Caribbean	1,014,736	895,633	118,020	97,241	2,774
Jamaica	603,264	513,401	73,526	77,426	2,477
BVI	883,730	796,353	23,359	22,263	383
Belize	128,287	107,487	19,873	15,651	—
Curaçao	531,883	458,483	25,717	25,537	149
Other	1,412,126	1,326,018	138,565	88,890	1,802
	12,400,578	9,976,899	1,011,604	900,158	14,757
Eliminations	(1,898,001)	(993,091)	—	(150,609)	—
	10,502,577	8,983,808	1,011,604	749,549	14,757

	Total assets $	Total liabilities $	Off-balance sheet items $	Revenues $	Capital expenditure $
October 31, 2008					
Barbados	2,907,070	2,001,867	211,409	220,290	6,795
Bahamas	3,553,576	2,970,085	302,620	241,723	2,419
Cayman	2,134,771	1,821,835	147,487	126,383	540
Eastern Caribbean	1,083,681	1,002,136	140,362	102,857	1,520
Curaçao	663,842	570,813	71,020	81,075	2,297
Jamaica	702,439	626,482	24,434	38,324	1,352
BVI	130,340	108,974	21,223	15,446	184
Belize	536,729	475,075	28,448	39,464	957
Other	1,477,409	1,347,742	122,295	81,418	1,440
	13,189,857	10,925,009	1,069,298	946,980	17,504
Eliminations	(2,249,703)	(1,320,650)	—	(131,753)	—
	10,940,154	9,604,359	1,069,298	815,227	17,504

Capital expenditure is shown by geographical area in which the property and equipment or intangible assets are located.

33. Financial risk management (continued)

D. Credit rating system and credit quality per class of financial assets

Credit Quality

A mapping between the Group's internal ratings and the ratings used by external agencies is shown in the table below. As part of the Group's risk-rating methodology, the risk assessed includes a review of external ratings of the obligor. The obligor rating assessment takes into consideration the Group's financial assessment of the obligor, the industry, and the economic environment of the country in which the obligor operates. In certain circumstances, where a guarantee from a third party exists, both the obligor and the guarantor will be assessed.

Quality per FCIB	Standard & Poor's equivalent	Moody's Investor Services
High grade	AAA to BBB-	Aaa to Baa3
Standard	BB+ to B-	Ba to B3
Substandard	CCC+ to CC	Caa1 to Ca
Impaired	D	C

A credit scoring methodology is used to assist in the adjudication of loans for Personal customers and a grading model is used for Corporate clients.

The effectiveness of the risk rating system and the parameters associated with the risk ratings are monitored within Credit Risk Management and are subject to an annual review.

The credit quality of financial assets is managed using internal credit ratings.

With the exception of investment securities amounting to $52,181 that are classified as substandard, all other securities are standard or high grade.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

D. Credit rating system and credit quality per class of financial assets (continued)

The table below shows the credit quality by class of asset for gross loans and advances to customers, based on an ageing analysis of the portfolio, a key measure of credit quality as described above. Amounts provided are before allowance for credit losses, and after credit risk mitigation, valuation adjustments related to the financial guarantors, and collateral on agreements.

	Notes	Performing High Grade $	Performing Standard Grade $	Performing Sub Standard Grade $	Impaired $	Total $
October 31, 2009						
Grade description						
Loans and advances to customers						
-Mortgages		2,154,605	60,303	86,168	212,341	2,513,417
-Personal loans		647,556	13,023	18,863	80,768	760,210
-Business and government loans		3,305,999	53,634	173,908	271,517	3,805,058
Total	14	6,108,160	126,960	278,939	564,626	7,078,685

	Notes	Performing High Grade $	Performing Standard Grade $	Performing Sub Standard Grade $	Impaired $	Total $
October 31, 2008						
Grade description						
Loans and advances to customers						
-Mortgages		2,261,953	43,898	47,428	142,905	2,496,184
-Personal loans		724,847	12,793	16,614	69,167	823,421
-Business and government loans		3,324,418	24,124	131,612	161,849	3,642,003
Total	14	6,311,218	80,815	195,654	373,921	6,961,608

E. Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in the market variables. Market risk arises from positions in securities and derivatives as well as from our core retail, wealth and corporate businesses. The key risks to the Group are foreign exchange, interest rate and credit spread. Market Risk within the Bank is a centralised group. This mirrors the way that the hard currencies are managed by Treasury Sales and Trading and although the local currencies are handled in their respective regions these are still monitored, measured and controlled from a market risk perspective, centrally. The Group classifies market risk exposures into trading and non-trading, with all of the former represented by products traded and managed by an external global investment manager. During fiscal 2009 the Group sold its trading assets under management. Due to the small size of the trading portfolio prior to its sale, the key types of measures used for market risk are not segregated from the non trading book, therefore the following sections give a comprehensive review of the Group's entire exposures.

33. Financial risk management (continued)

E. Market risk (continued)

Policies and standards:
The Group has a comprehensive policy for market risk management which incorporates identification, measurement, monitoring and control of those risks. This policy is reviewed and approved annually by the Risk and Conduct Review Committee. The policy includes the annual approval of the Board limits which is used by the Group to establish explicit risk tolerances expressed in terms of the four main risk measures mentioned below. There is a three tiered approach to limits at the Group. The highest level are those set at the Board level, below these, are those which are inclusive of a "haircut" from the Board limits and are at a more granular level, relating to the Chief Risk Officer limits. The third level of limit is for the Treasury Sales and Trading Group which limits traders to specific size of deal, documented through a formal delegation letter and monitored using the Group's treasury system.

Process and control:
Market risk measures are monitored with differing degrees of frequency dependent upon the relative risk and speed with which the risk changes. FX positions, Value at Risk (VaR), certain profit and loss measures are all measured daily whereas others such as stress tests and credit spread sensitivity are performed on at least either a weekly or monthly basis. Detailed market risk compliance reports are produced and circulated to senior management on a monthly basis and a summary version is included in the quarterly Group Temperature report supplied to the Board.

Risk measurement
The Group has four main measures of market risk which are as follows:

- Outright position, used predominantly for FX
- Sensitivity to a 1 basis point move in a curve, used for both interest rate and credit spread risk
- Value at Risk (VaR) measures for both interest rate risk and for non pegged currencies
- Stress scenarios based upon a combination of theoretical situations and historical events

Position
This risk measurement is used predominantly for the Group's foreign exchange business. The measure produced and reported daily focuses upon the outright long or short position in each currency from both a pre-structural and post structural basis. Any forward contracts or FX swaps are also incorporated.

Sensitivity
The two main measures utilised by the bank are the DV01 (delta value of a 1 basis point move, also known as the PV01 or Present value of a 1 basis point move) and the CSDV01 (Credit Spread Delta of a 1 basis point move). The DV01 measure is calculated for a 1 basis point move down in the yield curve. This generates the effect on earnings by individual currency of a parallel shift down in the related yield curve. As curves rarely move in a parallel fashion it is measured across different tenors to ensure that there is not further curve risk of having for example a long position in the short end of the curve offset by a short position in the longer tenors. This is then utilised within the scenario analysis. The sensitivities are calculated using two different approaches, a pre structural basis that focuses upon predominantly contractual date positions and a post structural basis that considers core balances for non contractual maturities as well as assigning risk to capital and non product general ledger accounts and considering market specific pricing situations.

The CSDV01 sensitivity looks at the risk of the spreads between the USD denominated, locally issued bond portfolio and the benchmark USD interest rate curve widening or narrowing as well as to look at the effect of that same type of credit spread move impacting the value of the USD structural hedge positions.

Value at Risk
The Group's VaR methodology utilises the tested and validated CIBC parent models. It is a statistical, probability based approach that uses volatilities and correlations to quantify risk into dollar terms. VaR measures the potential loss from the adverse market movements that can occur overnight with a less than 1% probability of occurring under normal market conditions, based on equally weighted historical data. VaR uses numerous risk factors as inputs and is computed through the use of historical volatility of each risk factor and the associated correlations among them, evaluated over a 1 year period and updated on a regular basis. The use of these historical measures do cause a degree of limitation to its accuracy as it assumes that future price movements will follow a statistical distribution and thus may not clearly predict the future impact. A further weakness of the VaR measure is that it does not estimate the effects of market variable moves outside of the 99% parameter and hence may underestimate losses. To counter this, the Bank has various stress measures to calculate potential tail event losses.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

E. Market risk (continued)

Stress testing & scenario analysis

Stress testing and scenario analysis are designed to add insight to possible outcomes of abnormal (or tail event) market conditions and to highlight where risk concentrations could be a concern.

The Group has two distinct approaches to this which are as follows:

- For the hard currency testing it sends its position sensitivity to CIBC and utilises the suite of measures that CIBC has developed. The stress testing measures the effect on the hard currency portfolio values over a wide range of extreme moves in market prices. The stress testing methodology assumes no actions are taken or are able to be taken during the event to mitigate the risk, reflecting the decreased liquidity that frequently accompanies market shocks. The scenario analysis approach again for the Group's hard currency exposures simulate an impact on earnings of extreme market events up to a period of one quarter. Scenarios are developed using actual historical data during periods of market disruption, or are based upon hypothetical occurrence of economic or political events or natural disasters and are designed by CIBC's economists, business leaders and risk managers.

- The local currency stress tests are designed on a similar but smaller scale. For interest rate stresses, Market Risk in conjunction with Treasury Sales & Trading consider the market data over approximately the last 10 years and identify the greatest curve or data point moves over both sixty and single days. These are then applied to the existing positions/sensitivities of the bank. This is performed and reported on a monthly basis as they do not tend to change rapidly. For foreign exchange stresses, the Group considers what the effect of a currency coming off a peg would have on the earnings of the Group. This is largely judgmental, as it has happened so infrequently in the region and it is supplemented by some historical reviews both within the region and in other areas where pegged currency regimes have or do exist.

Interest rate risk

Non-trading interest rate risk consists primarily of a combination of the risks inherent in asset and liability management activities and the activities of the core retail, wealth and corporate businesses. Interest rate risk results from differences in the maturities or re-pricing dates of assets both on and off balance sheet.

The following table shows the potential impact of an immediate 100 basis point increase or decrease in interest rates.

	2009	**2008**
	$	**$**
100bp increase in interest rates		
Impact on net interest income	**9,500**	5,100
Impact on shareholders' equity	**6,500**	(10,700)
100bp decrease in interest rates		
Impact on net interest income	**(9,500)**	(5,100)
Impact on shareholders' equity	**(6,500)**	10,700

In addition to the previous table, as described earlier, the Group utilises a combination of high level Board measures and limits to monitor risk as well as the more granular Chief Risk Officer's measurements and limits. The key interest risk measures are shown in the tables below with the CRO table being a subset highlighting the currencies where the Group has their more significant interest rate exposures.

(expressed in thousands of United States dollars)

33. **Financial risk management (continued)**

E. Market risk (continued)

Market risk metrics	**2009**	**2008**
	$	**$**
Interest rate VaR – Hard currency	**1,776**	1,371
Interest rate VaR – Local currency	**183**	326
Interest rate VaR – Total	**1,826**	1,534
Interest rate stress – Hard currency 1 day	**4,445**	5,419
Interest rate stress – Hard currency 60 days	**24,454**	12,857
Interest rate stress – Local currency 60 days	**17,610**	9,207
DV01 Hard currency	**(147)**	6
DV01 Local currency	**83**	101

	2009			**2008**		
Currency	**DV01**	**Var**	**60 day stressed Loss**	**DV01**	**VaR**	**60 day stressed Loss**
	$	**$**	**$**	**$**	**$**	**$**
United States dollars	(123)	1,716	24,454	30	984	12,857
Trinidad & Tobago dollars	6	27	1,121	11	12	1,201
Barbados dollars	74	61	4,761	53	156	2,834
Bahamas dollars	66	118	1,954	68	11	82
Jamaican dollars	(15)	209	3,036	(11)	59	2,118
Eastern Caribbean dollars	(21)	90	1,852	(17)	317	326

Note: DV01 above are shown on a post structural basis and brackets highlight a short position.

Credit spread risk
Credit spread exists as the benchmark curve and the reference asset curves either converge or diverge. The Group has 2 portfolios that have a material amount of credit spread risk. The risk is measured using an estimated CSDV01 and stress scenarios. The results of these are reported monthly to senior management.

	2009			**2008**		
	Notional	**CSDV01 (a)**	**Stressed Loss (a)**	**Notional**	**CSDV01 (a)**	**Stressed Loss (a)**
	$	**$**	**$**	**$**	**$**	**$**
Local issued hard currency denominated bond portfolio	499,700	313	74,300	550,119	324	25,401
Structural interest rate hedge portfolio (bank paper)	583,700	153	30,700	923,715	283	56,560

(a) for the locally issued debt, based upon over 85% of the portfolio by notional.

Large change in stress test result due to adjustments made to scenarios in early 2009 to reflect historic widening of spreads.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

E. Market risk (continued)

Derivatives held for ALM purposes

Where derivatives are held as hedges against either sizeable loans from core businesses or to reduce interest risk exposure to USD denominated local bond issues and if the transactions meet the regulatory criteria then the Bank applies for hedge accounting. Derivative hedges that do not qualify for hedge accounting treatment are considered to be economic hedges and are recorded at market value on the balance sheet with changes in the fair value reflected through the profit and loss. It should be noted that these are only interest rate risk hedges and other risks such as credit spread on the underlying still exist and are measured separately.

Foreign exchange risk

Foreign exchange (or currency) risk is defined as the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. A significant number of the regional currencies are pegged to the USD and hence the VaR measure is not appropriate and that is why more emphasis is put upon the overall position limit and related stress tests. The Board has set limits on positions by currency. Positions are monitored on a daily basis and Treasury Sales & Trading are solely responsible for the hedging of the exposure of the Group.

The following table highlights the currencies that the Group had significant exposures to at October 31, 2009. It also highlights the measures used by the Bank to measure, monitor and control that risk.

	2009			2008		
Currency	**Position long/(short) against USD $**	**VaR $**	**Stressed Loss $**	**Position long/(short) against USD $**	**Var $**	**Stressed Loss $**
Cayman dollars	57,775	N/A	5,778	133,273	N/A	13,327
Trinidad & Tobago dollars	(4,404)	52	352	(4,255)	44	340
Barbados dollars	30,121	N/A	9,036	(7,270)	N/A	582
Jamaican dollars	(25,436)	457	2,035	5,051	28	2,020
Eastern Caribbean dollars	16,381	N/A	4,914	20,528	N/A	6,158

The Group also uses a measure to quantify non trading foreign exchange risk, also referred to as post structural foreign exchange risk. This considers the effect of currency change on the Bank's investment in foreign operations, retained earnings and profit derived throughout the year in non USD. Due to the size of investments in the Bahamas, Cayman, the Eastern Caribbean and Jamaica this significantly increases the Bank's long exposure to these currencies.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

E. Market risk (continued)

Concentrations of assets, liabilities and off balance sheet positions

October 31, 2009	EC $	BDS $	CAY $	BAH $	US $	JA $	Other $	Total $
Assets								
Cash and balances with Central Banks	90,730	47,609	4,198	79,718	64,688	69,424	69,262	425,629
Due from banks	3,290	(78,028)	66	15,589	215,464	202	694,004	850,587
Derivative financial instruments	—	—	—	—	1,406	165	4	1,575
Other assets	(100,991)	39,607	4,447	16,621	59,161	7,357	19,334	45,536
Taxation recoverable	8,076	999	—	—	14	—	—	9,089
Investment securities	29,164	252,833	—	186,128	1,018,933	27,384	229,248	1,743,690
Loans and advances to customers	739,951	715,986	447,738	1,368,851	3,206,436	161,451	265,063	6,905,476
Property and equipment	13,744	43,554	16,482	20,140	14,788	7,440	4,840	120,988
Deferred tax assets	2,139	6,031	—	—	—	86	4,731	12,987
Retirement benefit assets	7,209	11,463	—	11,343	4,260	9,416	1,779	45,470
Intangible assets	—	305,535	—	—	36,015	—	—	341,550
Total assets	793,312	1,345,589	472,931	1,698,390	4,621,165	282,925	1,288,265	10,502,577
Liabilities								
Derivative financial instruments	—	—	—	—	87,071	—	13	87,084
Customer deposits	694,106	1,317,601	178,246	1,256,780	3,544,609	210,134	1,456,877	8,658,353
Other borrowed funds	—	—	—	—	13,879	—	24,610	38,489
Other liabilities	(47,805)	33,242	78,110	(13,545)	29,850	2,518	(28,122)	54,248
Taxation payable	741	920	—	—	1,516	1,108	4,787	9,072
Deferred tax liabilities	151	112	—	—	253	2,417	952	3,885
Debt securities in issue	—	—	—	—	93,560	—	31,062	124,622
Retirement benefit obligations	793	1,418	—	4,189	1,056	486	113	8,055
Total liabilities	647,986	1,353,293	256,356	1,247,424	3,771,794	216,663	1,490,292	8,983,808
Net on balance sheet position	145,326	(7,704)	216,575	450,966	849,371	66,262	(202,027)	1,518,769
Off balance sheet position	108,544	198,421	57,163	112,927	409,251	47,221	78,077	1,011,604

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

E. Market risk (continued)

Concentrations of assets, liabilities and off balance sheet positions (continued)

October 31, 2008	**EC** $	**BDS** $	**CAY** $	**BAH** $	**US** $	**JA** $	**Other** $	**Total** $
Assets								
Cash and balances with Central Banks	92,424	78,350	3,237	16,484	100,529	90,822	106,964	488,810
Due from banks	9,600	(34,803)	(104)	75,036	(36,678)	(17,714)	500,739	496,076
Derivative financial instruments	—	—	—	—	2,144	—	—	2,144
Financial assets at fair value through profit or loss	—	—	—	—	536,217	—	—	536,217
Other assets	(24,944)	(62,107)	1,434	11,419	127,338	19,067	(12,273)	59,934
Taxation recoverable	5,718	466	—	—	—	—	—	6,184
Investment securities	29,600	240,447	4	182,734	1,306,092	16,613	228,779	2,004,269
Loans and advances to customers	745,830	712,157	465,097	1,407,954	3,062,379	202,348	218,513	6,814,278
Property and equipment	14,707	45,058	17,294	20,334	15,657	7,268	6,838	127,156
Deferred tax assets	2,643	6,497	—	—	—	127	6,501	15,768
Retirement benefit assets	6,800	9,806	—	10,845	4,535	11,203	1,616	44,805
Intangible assets	—	305,535	—	—	38,978	—	—	344,513
Total assets	882,378	1,301,406	486,962	1,724,806	5,157,191	329,734	1,057,677	10,940,154
Liabilities								
Derivative financial instruments	—	—	—	461	52,053	1,972	1,094	55,580
Customer deposits	731,861	1,248,628	201,569	1,735,907	4,001,906	212,268	1,063,910	9,196,049
Other borrowed funds	—	—	—	—	—	—	23,735	23,735
Other liabilities	21,132	13,730	131,897	(6,884)	49,284	10,056	(152,250)	66,965
Taxation payable	6,826	150	—	—	2,228	3,604	1,223	14,031
Deferred tax liabilities	58	173	—	—	9	2,290	(1,010)	1,520
Debt securities in issue	—	—	—	13	200,326	6,600	31,593	238,532
Retirement benefit obligations	719	1,353	—	4,113	871	808	83	7,947
Total liabilities	760,596	1,264,034	333,466	1,733,610	4,306,677	237,598	968,378	9,604,359
Net on balance sheet position	121,782	37,372	153,496	(8,804)	850,514	92,136	89,299	1,335,795
Off balance sheet position	132,187	167,371	34,008	147,695	462,574	41,148	84,315	1,069,298

33. Financial risk management (continued)

F. Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Limits are set on the level of mismatch of interest rate repricing that may be undertaken, which are monitored on an ongoing basis.

Expected repricing and maturity dates do not differ significantly from the contract dates, except for the maturity of deposits up to 1 month, which represent balances on current accounts considered by the Group as a relatively stable core source of funding for its operations.

G. Liquidity risk

Liquidity risk arises from the Group's general funding activities in the course of managing assets and liabilities. It is the risk of having insufficient cash resources to meet current financial obligations without raising funds at unfavourable rates or selling assets on a forced basis.

The Group's liquidity management strategies seek to maintain sufficient liquid financial resources to continually fund the balance sheet under both normal and stressed market environments.

Process and Control
Actual and anticipated inflows and outflows of funds generated from on and off balance sheet exposures are managed on a daily basis within specific short term asset/liability mismatch limits by operational entity.

Potential cash flows under various stress scenarios are modelled using balance sheet positions. On a consolidated basis, prescribed liquidity levels under a selected benchmark stress scenario are maintained for a minimum time horizon.

Risk Measurement
The Group's liquidity measurement system provides daily liquidity risk exposure reports for monitoring and review by the Treasury department. The Group's Assets and Liabilities Committee – ALCO is responsible for recommending the liquidity ratio targets, the stress scenarios and the contingency funding plans.

The Group manages liquidity risk by maintaining a significant base of core customer deposits, liquid assets and access to contingent funding as part of its management of risk. Each operational entity has internally established specific liquidity requirements that are approved by the Group ALCO and reviewed annually.

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

G. Liquidity risk (continued)

The table below analyses assets, liabilities and off balance sheet positions of the Group into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

October 31, 2008	0-3 months $	3-12 months $	1-5 years $	Over 5 years $	Total $
Assets					
Cash and balances with Central Banks	410,677	14,952	—	—	425,629
Due from banks	373,391	258,754	218,442	—	850,587
Derivative financial instruments	1,575	—	—	—	1,575
Other assets	43,115	2,421	—	—	45,536
Taxation recoverable	9,089	—	—	—	9,089
Investment securities	165,480	131,398	925,488	521,324	1,743,690
Loans and advances to customers	907,236	481,127	1,418,941	4,098,172	6,905,476
Property and equipment	—	—	24,917	96,071	120,988
Deferred tax assets	4,025	533	259	8,170	12,987
Retirement benefit assets	—	—	—	45,470	45,470
Intangible assets	739	2,219	11,832	326,760	341,550
Total assets	1,915,327	891,404	2,599,879	5,095,967	10,502,577
Liabilities					
Derivative financial instruments	76,409	—	—	10,675	87,084
Customer deposits	6,303,877	1,760,906	578,340	15,230	8,658,353
Other borrowed funds	14,280	6,672	949	16,588	38,489
Other liabilities	853	53,395	—	—	54,248
Taxation payable	6,354	2,718	—	—	9,072
Deferred tax liabilities	60	738	409	2,678	3,885
Debt securities in issue	—	93,829	—	30,793	124,622
Retirement benefit obligations	—	—	—	8,055	8,055
Total liabilities	6,401,833	1,918,258	579,698	84,019	8,983,808
Net on balance sheet position	(4,486,506)	(1,026,854)	2,020,181	5,011,948	1,518,769
Off balance sheet position	882,742	94,283	23,485	11,094	1,011,604

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

G. Liquidity risk (continued)

October 31, 2008	0-3 months $	3-12 months $	1-5 years $	Over 5 years $	Total $
Assets					
Cash and balances with Central Banks	488,810	—	—	—	488,810
Due from banks	408,944	87,132	—	—	496,076
Derivative financial instruments	2,144	—	—	—	2,144
Financial assets at fair value through profit or loss	536,217	—	—	—	536,217
Other assets	58,076	1,858	—	—	59,934
Taxation recoverable	267	—	5,917	—	6,184
Investment securities	1,002,446	33,541	755,784	212,498	2,004,269
Loans and advances to customers	1,108,493	610,605	887,262	4,207,918	6,814,278
Property and equipment	—	—	20,817	106,339	127,156
Deferred tax assets	1	253	1,459	14,055	15,768
Retirement benefit assets	—	—	—	44,805	44,805
Intangible assets	740	2,219	6,647	334,907	344,513
Total assets	3,606,138	735,608	1,677,886	4,920,522	10,940,154
Liabilities					
Derivative financial instruments	50,428	5,152	—	—	55,580
Customer deposits	7,571,251	1,560,652	55,913	8,233	9,196,049
Other borrowed funds	4,104	2,119	708	16,804	23,735
Other liabilities	12,171	—	54,794	—	66,965
Taxation payable	13,754	277	—	—	14,031
Deferred tax liabilities	3	—	—	1,517	1,520
Debt securities in issue	66	31,450	6,600	200,416	238,532
Retirement benefit obligations	—	—	—	7,947	7,947
Total liabilities	7,651,777	1,599,650	118,015	234,917	9,604,359
Net on balance sheet position	(4,045,639)	(864,042)	1,559,871	4,685,605	1,335,795
Off balance sheet position	491,953	223,460	248,128	105,757	1,069,298

(expressed in thousands of United States dollars)

33. Financial risk management (continued)

H. Fair values of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements. The table does not include the fair values of non-financial assets and non-financial liabilities.

	Carrying Value 2009 $	Fair Value 2009 $	Unrecognised gain/ (loss) 2009 $	Carrying Value 2008 $	Fair Value 2008 $	Unrecognised gain/ (Loss) 2008 $
Financial assets						
Cash and balances with Central Banks	425,629	425,629	—	488,810	488,810	—
Due from banks	850,587	850,587	—	496,076	496,076	—
Derivative financial instruments	1,575	1,575	—	2,144	2,144	—
Financial assets at fair value through profit or loss	—	—	—	536,217	536,217	—
Investment securities	1,743,690	1,743,690	—	2,004,269	2,004,269	—
Loans and advances to customers	6,905,476	6,908,909	3,433	6,814,278	6,759,152	(55,126)
Financial liabilities						
Derivative financial instruments	87,084	87,084	—	55,580	55,580	—
Customer deposits	8,658,353	8,671,748	(13,395)	9,196,049	9,200,907	(4,858)
Other borrowed funds	38,489	57,718	(19,229)	23,735	29,276	(5,541)
Debt securities in issue	124,622	127,892	(3,270)	238,532	209,250	29,282
Total unrecognised change in unrealised fair value			(32,461)			(36,243)

33. Financial risk management (continued)

H. Fair values of financial assets and liabilities (continued)

Loans and advances to customers

Loans and advances to customers are stated net of specific and other provisions for impairment. The estimated fair values of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received.

Investment securities

Investment securities are recorded at fair value based either on quoted market prices or valuation techniques, including, model inputs that are either observable in the market or involves the use of non-market observable inputs.

Customer deposits and other borrowed funds

The estimated fair value of customer deposits and other borrowed funds is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

Debt securities in issue

The fair value is calculated using a discounted cash flow model based on a current interest rate yield curve appropriate for the remaining term to maturity.

Financial assets and liabilities with carrying values that approximate fair value

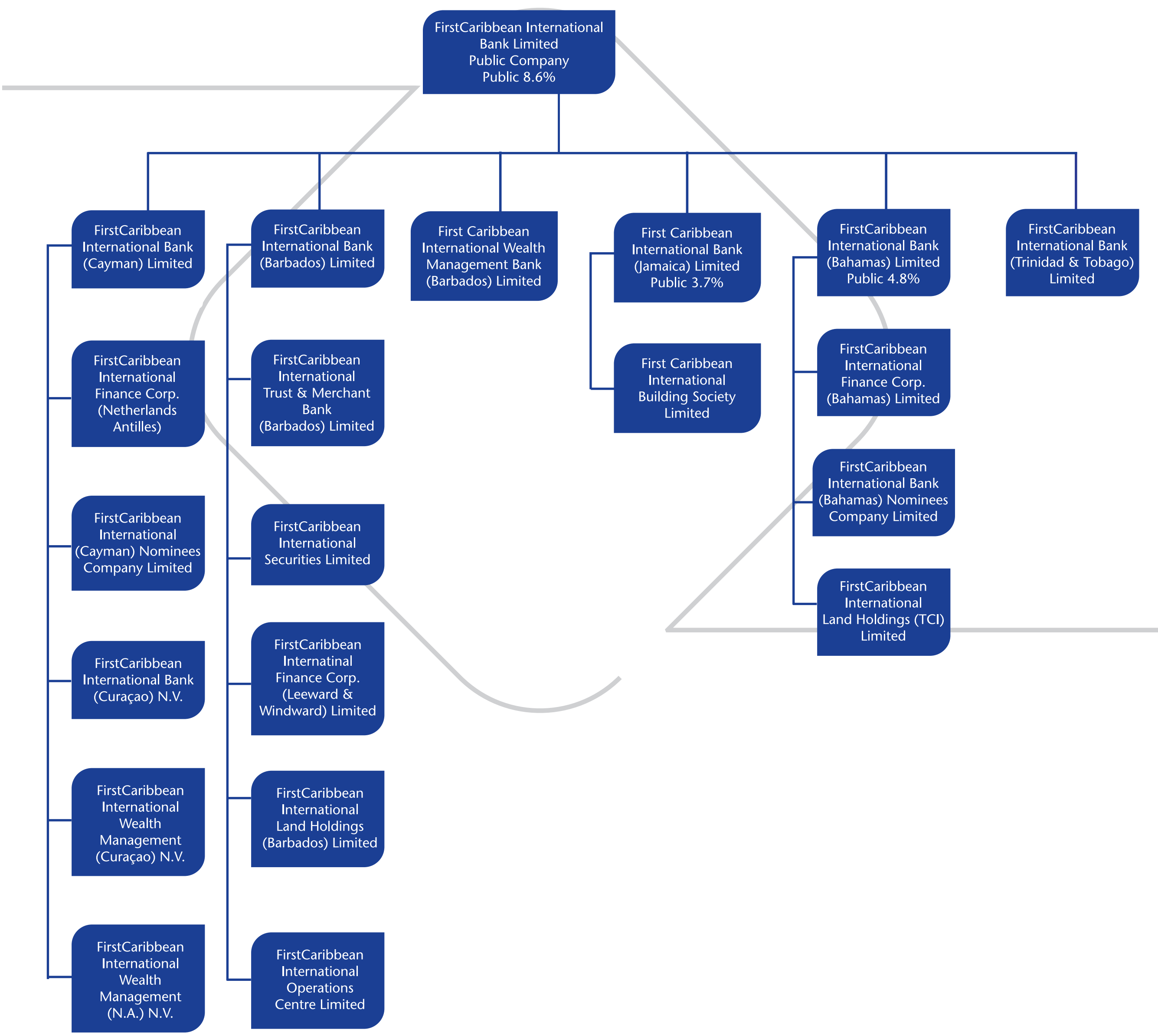
For financial assets and liabilities that are liquid or have a short-term maturity, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits savings accounts without a specific maturity and variable rate financial instruments.

34. Principal subsidiary undertakings

Name	Country of incorporation
FirstCaribbean International Bank Limited	Barbados
FirstCaribbean International Wealth Management Bank (Barbados) Limited	Barbados
FirstCaribbean International Bank (Barbados) Limited	Barbados
FirstCaribbean International Trust and Merchant Bank (Barbados) Limited	Barbados
FirstCaribbean International Land Holdings (Barbados) Limited	Barbados
FirstCaribbean International Operations Centre Limited	Barbados
FirstCaribbean International Finance Corporation (Leeward & Windward) Limited	St. Lucia
FirstCaribbean International Bank (Bahamas) Limited (95.2%)	Bahamas
FirstCaribbean International Finance Corporation (Bahamas) Limited	Bahamas
FirstCaribbean International (Bahamas) Nominees Company Limited	Bahamas
FirstCaribbean International Land Holdings (TCI) Limited	Turks & Caicos Islands
FirstCaribbean International Bank (Jamaica) Limited (96.3%)	Jamaica
FirstCaribbean International Securities Limited	Jamaica
FirstCaribbean International Building Society Limited	Jamaica
FirstCaribbean International Bank (Trinidad & Tobago) Limited	Trinidad
FirstCaribbean International Bank (Cayman) Limited	Cayman Islands
FirstCaribbean International Finance Corporation (Cayman) Limited	Cayman Islands
FirstCaribbean International (Cayman) Nominees Company Limited	Cayman Islands
FirstCaribbean International Finance Corporation (Netherlands Antilles) Limited	Netherlands Antilles
FirstCaribbean International Bank (Curaçao) N.V.	Netherlands Antilles
FirstCaribbean International Wealth Management (Curaçao) N.V.	Netherlands Antilles
FirstCaribbean International Wealth Management (N.A.) N.V.	Netherlands Antilles

All subsidiaries are wholly owned unless otherwise stated.

Ownership Structure



Main Branches and Centres

Head Office
P.O. Box 503
Warrens, St. Michael
Barbados
Tel: (246) 367-2300

Anguilla
P.O. Box 140
The Valley
Tel: (264) 497-2301

Antigua
P.O. Box 225
High Street
St. John's
Tel: (268) 480-5000

The Bahamas
P.O. Box N-8350
Shirley Street, Nassau
Tel: (242) 322-8455

Barbados
P.O. Box 405
Broad Street, St. Michael
Bridgetown
Tel: (246) 367-2300

Belize
P.O. Box 363
21 Albert Street
Belize City
Tel: 9011+(501) 227-7212

British Virgin Islands
P.O. Box 70
Road Town, Tortola
Tel: (284) 494-2171/3

Cayman Islands
P.O. Box 68
25 Main Street
George Town
Tel: (345) 949-7300

Curaçao
P.O. Box 3144
De Ruyterkade 61
Willemstad
Tel: (+599) 433-8338

Dominica
P.O. Box 4
Old Street, Roseau
Tel: (767) 448-2571

Grenada
P.O. Box 37
Church Street, St. George's
Tel: (473) 440-3232

Jamaica
P.O. Box 403
23-27 Knutsford Blvd
Kingston 5
Tel: (876) 929-9310

St. Kitts
P.O. Box 42
The Circus, Basseterre
Tel: (869) 465-2449

St. Lucia
P.O. Box 335
Bridge Street, Castries
Tel: (758) 456-1000

St. Maarten
P.O. Box 941
38 Back Street
Philipsburg
Tel: (599) 542-3511

Nevis
P.O. Box 502
Charlestown
Tel: (869) 469-5309

Trinidad & Tobago
74 Long Circular Road
Maraval, Trinidad
Tel: (868) 628-4685

Turks & Caicos Islands
P.O. Box 698
Leeward Highway
Tel: (649) 946-5303

St. Vincent
P.O. Box 604
Halifax Street
Kingstown
Tel: (784) 456-1706

FINANCIAL CENTRES & TRUST COMPANIES

Corporate Banking Centre
P.O. Box N-7125
Shirley Street
Nassau, The Bahamas
Tel: (242) 322-8455

Wealth Management Centre
P.O. Box N-8350
Shirley Street
Nassau, The Bahamas
Tel: (242) 302-6000

Finance Corporation
P.O. Box N-8350
Shirley Street
Nassau, The Bahamas
Tel: (242) 322-7466

Corporate Banking Centre
P.O. Box 405
Rendezvous
St. Michael, Barbados
Tel: (246) 367-2500

Trust and Merchant Bank
1st Floor, Corporate Banking Centre
FirstCaribbean International Bank
Rendezvous, Christ Church, Barbados
Tel: (246) 467-2688

Wealth Management Centre
P.O. Box 180
Ground Floor, Head Office
Warrens, St. Michael,
Barbados
Tel: (246) 367-2012

Wealth Management Centre
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 935-4619

Wealth Management Centre
FirstCaribbean House
P.O. Box 68 GT
Main Street, George Town
Grand Cayman
Cayman Islands
Tel: (345) 949-7300

Wealth Management Centre
De Ruyterkade 61
P.O. Box 3144
Willemstad, Curaçao
Netherlands Antilles
Tel: (+599) 9 433-8000

Wealth Management Centre
P.O. Box 70
Wickham's Cay
Road Town, Tortola
British Virgin Islands
Tel: (284) 494-2171

Wealth Management Centre
P.O. Box 236
Butterfield Square
Providenciales
Turks & Caicos Islands
Tel: (649) 941-3606

Corporate Banking Centre
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Building Society
P.O. Box 405
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Asset Management & Securities Trading
P.O. Box 405
23-27 Knutsford Blvd
Kingston 5, Jamaica
Tel: (876) 929-9310

Finance Corporation
P.O. Box 335
Castries, St. Lucia
Tel: (758) 452-6371

Trustee Services
74 Long Circular Road
Maraval, Trinidad
Tel: (868) 628-4685

Capital Markets
74 Long Circular Road
Maraval, Trinidad
Tel: (868) 628-4685

Notice of Meeting

Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting of the Shareholders of FirstCaribbean International Bank Limited will be held at the Flamboyant Room North, Lloyd Erskine Sandiford Conference Centre, Two Mile Hill, St. Michael, Barbados, on Thursday, March 25, 2010 at 5 p.m. for the following purposes:

1. To receive audited Financial Statements for the year ended October 31, 2009 and the Reports of the Directors and Auditors thereon.

2. To elect the following Directors:

   (i) Paula Rajkumarsingh for a period of two years.

   (ii) Richard Nesbitt for a period of two years.

   (iii) Sonia Baxendale for a period of two years.

3. To re-elect the following Directors who retire by rotation and being eligible seek re-election:

   (iv) Thomas Woods for a period of three years.

   (v) John D. Orr for a period of three years.

   (vi) David Ritch for a period of three years.

4. To appoint the Auditors and to authorise the Directors to fix their remuneration.

5. To discuss any other business which may be properly considered at the Annual General Meeting.

By Order of the Board of Directors

Ella N. Hoyos
Corporate Secretary
January 31, 2010

Proxies
Shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and, in a poll, vote instead of them. A proxy need not also be a shareholder. Any instrument appointing a Proxy must be received at the office of the Registrar & Transfer Agent, FirstCaribbean International Trust and Merchant Bank (Barbados) Limited not less than 48 hours before the meeting. Members who return completed proxy forms are not precluded, subsequently if they so wish, from attending the Meeting instead of their proxies and voting in person.

In the event of a poll, their Proxies' votes lodged with the Registrar & Transfer Agent will be excluded.

Dividend
A final dividend of US$0.03 per share was approved for the year ended October 31, 2009 and paid on January 29, 2010, to the holders of Common Shares whose names were registered in the books of the Company at the close of business on December 17, 2009.

An interim dividend of US$0.03 per share was also paid on June 30, 2009 to holders of Common Shares whose names were registered in the books of the Company at the close of business on June 10, 2009.

Total dividends for the 2009 financial year amounted to US$0.06 per share.

Documents Available for Inspection:

There are no service contracts granted by the Company, or our subsidiary companies, to any Director.

Registered Office:
Warrens, St. Michael.
Barbados, West Indies

Directors' Report

Directors
During the year under review, there were no resignations from the Board of Directors of the Company. Mrs. Paula Rajkumarsingh, Mr. Richard Nesbitt and Ms Sonia Baxendale served their first full year as Directors of the Company.

The shareholders are now being asked to re-appoint Mrs. Rajkumarsingh, Mr. Nesbitt and Ms Baxendale to the Board of Directors for a further two years each. They are also asked to re-appoint as Directors, to the Board of Directors, Mr. Thomas Woods, Mr. John D. Orr and Mr. David Ritch, who retire by rotation and being eligible offer themselves for re-election for a period of three years.

Directors' Interest
As at October 31, 2009, particulars of Directors' shareholdings in the issued capital of the Company are as follows:

Common Shares of No Par Value

	Beneficial Interest	Non Beneficial Interest
1. Michael Mansoor	220,334	nil
2. John D. Orr		nil
3. G. Diane Stewart (Independent Director)	nil	nil
4. Sir Allan Fields (Independent Director)	1,000	nil
5. Sir Fred Gollop	1,416	nil
6. Thomas Woods	nil	nil
7. Richard Nesbitt	nil	nil
8. David Williamson	nil	nil
9. Paula Rajkumarsingh (Independent Director)	nil	nil
10. David Ritch (Independent Director)	nil	nil
11. Sonia Baxendale	nil	nil
12. Richard Venn (Alternate Director)	nil	1,000

Financial Results and Dividends
The Directors report that the Company's consolidated net income attributable to the equity holders of the parent for the year ended October 31, 2009 amounted to US $171 million. All statutory requirements for the year ended October 31, 2009 have been fulfilled.

The Company has declared a final dividend of US$0.03 per share for the period ended October 31, 2009. An interim dividend of US$0.03 per share was also paid in the 2009 fiscal period. Total dividends for the year were US$0.06 per share.

Share Capital
CIBC Investments (Cayman) Limited (CICL) is the majority shareholder of the Company now holding 91.39% of the Company's issued and outstanding shares.

Substantial interest as at October 31, 2009*

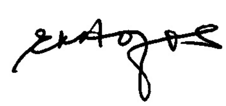
Common shares of no par value

CIBC Investments (Cayman) Limited	1,393,807,449	(91.39%)

*Substantial interest means a holding of 5% or more of the Company's issued share capital.

Auditors
Messrs. Ernst and Young, Chartered Accountants, served as external auditors of the Company for the 2009 financial year. A resolution relating to the re-appointment of Ernst and Young as Auditors will be proposed at the Annual Meeting of the Shareholders of the Company.

By Order of the Board



Ella N. Hoyos
Corporate Secretary

Management Proxy Circular

Barbados
The Companies Act, Chapter 308
[Section 140]

1. Name of Company:
   FirstCaribbean International Bank Limited   Company No. 8521

2. Particulars of Meeting:
   Sixteenth Annual Meeting of the Shareholders of the Company to be held at the Flamboyant North Room, Lloyd Erskine Sandiford Conference Centre, Two Mile Hill, St. Michael on Thursday, March 25, 2010 at 5 p.m.

3. Solicitation:
   It is intended to vote the Proxy hereby issued by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified on the Proxy Form sent to the Shareholders with this Circular and in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4. Any Director's Statement Submitted Pursuant to Section 71 (2):
   No statement has been received from any Director of the Company pursuant to Section 71 (2) of the Companies Act, Chapter 308.

5. Any Auditor's Statement Submitted Pursuant to Section 163 (1):
   No statement has been received from the Auditors of the Company pursuant to Section 163 (1) of the Companies Act, Chapter 308.

6. Any Shareholder's Proposal Submitted Pursuant to Section 112:
   No proposal has been received from any Shareholder pursuant to Section 112 of the Companies Act, Chapter 308.

Date	Name and Title	Signature
January 31, 2010	Ella N. Hoyos Corporate Secretary FirstCaribbean International Bank Limited	

Proxy Form

I/We, the undersigned shareholder/shareholders of FirstCaribbean International Bank Limited hereby appoint Mr. Michael Mansoor or failing him, Mr. John Orr, or any Director of the Company or

As my/our proxy to vote for me/us on my/our behalf as indicated below on the Resolutions to be proposed at the Annual Meeting of the shareholders of the Company to be held on Thursday, March 25, 2010.

Dated this .... day of .... 2010.

Name of shareholder(s) of the Company ....

Signature ....

Name(s) of signatory in block capitals ....

Please indicate with an "X" in the spaces below how you wish your proxy to vote on the Resolutions referred to. If no indication is given the proxy will exercise his or her discretion as to how he or she votes or whether he or she abstains from voting.

	FOR	AGAINST
Resolution 1 To approve the adoption of the audited consolidated Financial Statements of the Company for the year November 01, 2008 to October 31, 2009.		
Resolution 2 To approve the election of the following persons as a Director for the term hereinafter set forth: (i) Paula Rajkumarsingh for a period of two years. (ii) Richard Nesbitt for a period of two years. (iii) Sonia Baxendale for a period of two years. And to re-elect the following persons as Directors: (iv) Thomas Woods for a period of three years. (v) John D. Orr for a period of three years. (vi) David Ritch for a period of three years.		
Resolution 3 To approve the appointment of the Auditors, and to Authorise the Directors to fix their remuneration.		

Notes:
1. If it is desired to appoint a proxy other than the named Directors, the necessary deletion must be made and initialed and the name inserted in the space provided.
2. In the case of joint holders, the signature of any holder is sufficient, but the name of all joint holders should be stated.
3. If the appointer is a Corporation, this form must be under its Common Seal or under the name of an officer of the Corporation duly authorised in this behalf.
4. To be valid, this form must be completed and deposited with the Registrar & Transfer Agent, FirstCaribbean International Trust and Merchant Bank (Barbados) Limited, First Floor, Corporate Banking Centre, Rendezvous, at least 48 hours before the time appointed for holding the Meeting or adjourned Meeting.

FirstCaribbean
INTERNATIONAL BANK

GET THERE. TOGETHER.

www.firstcaribbeanbank.com

Anguilla
Antigua and Barbuda
The Bahamas
Barbados
Belize
British Virgin Islands
The Cayman Islands
Curaçao
Dominica
Grenada and Carriacou
Jamaica
St. Kitts and Nevis
St. Lucia
St. Maarten
St. Vincent and the Grenadines
Trinidad and Tobago
Turks and Caicos Islands