CIBC FirstCaribbean International Bank

Jamaica Annual Report 2011


CIBC
FirstCaribbean
International Bank

Introducing our Wildey branch, a state-of-the-art facility that serves as a prototype for our regional branch redesign project. This full-service banking model creates value and efficiency for our clients by offering Corporate, Retail, Wealth and Small Business services as well as electronic channels in one location. Select branches across the region will benefit from this redesign exercise. As a first option, it offers a range of free electronic banking solutions giving our clients full service, all in quick time and free of charge. Services include:

1. Instant Teller™ Machines
2. In-branch Internet Banking service
3. Telephone Banking kiosks
4. Coin Counting Machines
5. Fast Deposit (Envelopes)
6. Night Wallets

Clients visiting our full-service branches will do so in a functional, ergonomic environment that features:

1. Teller cash recyclers for optimum service delivery
2. Fully-automated, self-service Q-Matic systems with voice and display recognition
3. Facility designed for easy access by the differently-abled
4. Digital and touch-screen marketing and media display units for electronic advertising of product information and rates

The prototype also offers our corporate banking clients:

1. Fully outfitted, dedicated corporate facilities for maximum efficiency and service, including priority parking
2. State-of-the-art electronic monitoring and surveillance for added safety and security
3. Fully-automated, self-service Q-Matic systems with voice and display recognition

Wealth Management services will be facilitated in an upscale lounge-type environment featuring:

1. WiFi and iPad usage for surfing CIBCFCIB site and completing online applications for services
2. Private Banking platinum service delivered by dedicated teams
3. Client access to fully-outfitted meeting rooms and facilities

Contents

Corporate Profile

CIBC FirstCaribbean International Bank is a relationship bank offering a full range of market-leading financial services through our Corporate Investment Banking and Retail Banking segments. We are located in 17 countries around the Caribbean, providing the banking services that matter to our clients through approximately 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$11.2 billion in assets and a market capitalisation of US$2.2 billion. Here in Jamaica, we operate through 13 branches with a team of almost 500 employees, focussed on and dedicated to our mission to be 'First for Customers'.

Vision

To be the bank of first choice, leading the region in building quality relationships with our clients by providing them with innovative banking solutions to suit their needs.

Mission

To achieve our vision by fulfilling the commitments we have made to each of our stakeholders:
- First for Clients – Help our clients achieve what matters to them
- First for Employees – Create an environment where all of our employees can excel
- First for our Communities – Make a real difference in communities in which we operate
- First for Shareholders – Generate strong total returns for our shareholders

Values

As a member of the CIBC Group of companies, we share an organisational culture based on core values of Trust, Teamwork, and Accountability.

Strategic Priorities

These five strategic priorities support our stated vision and mission:
- Enhancing client value by deepening relationships
- Diversification of our income streams
- Balance sheet management to optimise returns
- Productivity & control to improve the speed and quality of service to our clients
- Leveraging our relationship with our parent, CIBC, to bring new opportunities to benefit our stakeholders

These priorities are the cornerstone for delivering consistent and sustainable performance over the long term.

2011 HIGHLIGHTS

First for Clients

In 2011, we concentrated on delivering excellent customer service and continued to enhance our client experience through new products and system enhancements to help clients achieve what matters to them.

Introducing a new state-of-the-art banking model for select regional deployment, beginning in Barbados with the Wildey branch -

- Unveiled a range of electronic banking solutions for full service in quick time
- Designed a full-service branch area set in a functional, ergonomic environment
- Deployed electronic, seated queuing systems for service identification and prioritisation.
- Introduced fully-outfitted, dedicated corporate facilities
- Offered Wealth Management services in an upscale lounge-type environment

Delivering tailored solutions to unique client groups -

- Enhanced our Mobile Banking service
- Enhanced our Internet Banking platform
- Expanded our regional Instant Teller™ network
- Improved our call centres to function as a central customer service channel

Providing advice and financial solutions for Retail and Wealth clients -

- Enhanced Private Banking service for Domestic Wealth Management clients
- Introduced Platinum Service priority access in branches
- Launched Visa Debit Platinum

Supporting corporate clients with best-in-class relationship management products and services -

- Introduced structured notes products
- Introduced commodity hedging products

Reaching new market niches and clients -

- Implemented a SWITCH campaign to capture greater market share
- Introduced innovative derivative products and solutions.

First for Employees

In 2011, we placed emphasis on outfitting employees with the skills and tools to execute their jobs with excellence.

Feedback from the E-voice Survey was also incorporated in our overall approach which was reflected in the improved results for 2011 with employee satisfaction three (3) percentage points above 2010 and employee engagement improved by two (2) percentage points.

Enhancing the training offer -

- Focused on technical enhancements for improved efficiency including the automation of the account opening process

Creating an environment for enhanced productivity -

- Reviewed and test piloted a new performance management system for fiscal 2011-12

Pursuing Leadership Excellence -

- Commenced leadership development programme for all managers, beginning with country managers and directors

First for our Communities

In 2011, the CIBC FirstCaribbean Foundation worked to keep its promise of commitment to the people of the Caribbean. Our programmes continued to be spearheaded by our regional team of employees, reaching out in a personal way to those requesting our assistance. From a Parent Group perspective, we continue to contribute 1% of our consolidated profits, with our employees volunteering many hours of energy and enthusiasm to what matters most in our communities.

Strengthening our Corporate Social Responsibility partnerships -

- Continued to support the environmental advocacy group, Jamaica Environment Trust
- A renewal of our partnership with Junior Achievement and the Jamaica Youth Business Trust

Nurturing the entrepreneurial spirit among our people -

- Enhanced support for Caribbean entrepreneurship through the Bank-sponsored Business Plan initiative, under UWI's Student Entrepreneurial Empowerment Development (SEED) project
- Signing of a new Memorandum of Understanding with the Barbados Entrepreneurship Foundation
- Deepening our relationship with Junior Achievement Jamaica

Supporting our communities with pride -

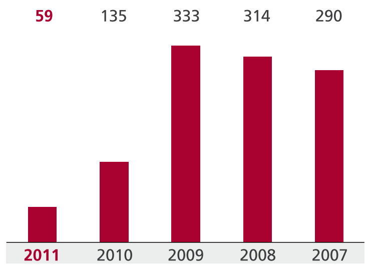
- Engendering the spirit of staff volunteerism through our Adopt-a-Cause programme
- Recognising the work of selfless individuals through our Unsung Heroes flagship initiative

First for our Shareholders

- Despite a lower rate of return to our shareholders, we did achieve some measured improvements in our key business drivers. This will undoubtedly provide a sound basis for improved financial performance in better economic times.
- Maintained our capital strength, increasing Tier 1 from 21% to 23%

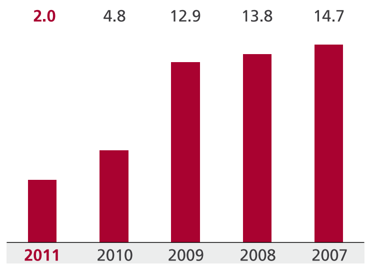
Financial Highlights

Earnings per share (basic) Cents



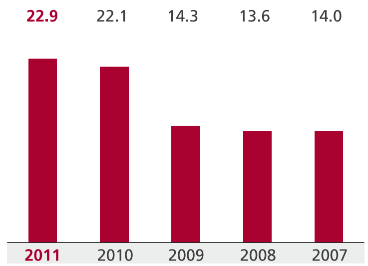
Basic EPS is a measure of net income attributable to the parent divided by the weighted-average number of common shares net of treasury shares.

Return on equity (%)



ROE is a key measure of profitability. It is calculated as net income expressed as a percentage of average common shareholders' equity.

Tier 1 capital ratio (%)



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		**2011**	2010	2009	2008	2007
Common share information						
Per share (cents)	- basic and diluted earnings	**59**	135	333	314	290
Share price	- closing	**6.50**	13.28	12.75	21.80	23.50
Shares outstanding (thousands)	- end of period	**265,757**	265,757	265,757	265,757	265,757
Market capitalisation		**1,727**	3,529	3,388	5,794	6,245
Value measures						
Price to earnings multiple		**11.0**	9.8	3.8	6.9	8.1
Dividend yield		**-**	-	3.1%	-	-
Dividend payout ratio		**-**	-	12.0%	-	-
Financial results						
Total revenue		**4,301**	4,232	4,357	3,690	3,281
Loan loss impairment		**598**	341	449	131	122
Non-interest expenses		**3,490**	3,369	2,601	2,312	2,010
Net income		**157**	359	887	835	771
Financial measures						
Efficiency ratio		**81.1%**	80.4%	59.7%	62.7%	61.2%
Return on equity		**2.0%**	4.8%	12.9%	13.8%	14.7%
Net interest margin		**6.4%**	6.5%	6.5%	6.8%	7.0%
Balance sheet information						
Loans and advances to customers		**30,459**	31,348	34,385	34,937	31,410
Total assets		**51,094**	51,264	52,656	49,626	41,671
Deposits & other borrowed funds		**42,595**	41,924	43,900	41,369	33,523
Debt issued		**-**	-	-	500	1,502
Total equity		**7,846**	7,630	7,256	6,447	5,618
Balance sheet quality measures						
Common equity to risk weighted assets		**28.11%**	26.9%	24.0%	20.7%	18.2%
Risk weighted assets		**27,911**	28,392	30,219	31,140	30,894
Tier I capital ratio		**22.9%**	22.1%	14.3%	13.6%	14.0%
Tier I and II capital ratio		**23.6%**	22.4%	15.2%	14.7%	14.9%
Other information						
Full time equivalent employees		**492**	496	501	490	483

Chairman's Letter

Michael K. Mansoor
Executive Chairman

In 2011 the Bank achieved profits of $157 million compared to $359 million last year, primarily due to higher provisions for loan loss impairment which was $598 million in 2011, versus $341 million last year.

Total operating income increased by 2% over last year due to higher non-interest income. Net interest income fell by 2% year on year. Operating expenses were subject to upward pressures from the contractual increases in salary levels, and this increased by 4% over last year. All the important balance sheet aggregates are comparable with the prior year and in particular the Tier 1 Capital ratio is 23%, well in excess of the minimum requirement of 10% as prescribed by the Bank of Jamaica.

Apart from the negative effects of the provisions for loans, the business of the Bank continues to be stable and provides a sound basis for better performance when economic conditions improve.

Earnings per share (EPS), is 59 cents, versus 135 cents in 2010. In these circumstances the Board has decided not to pay a dividend for 2011.

These results need to be considered in the context of a set of very difficult conditions being faced by some of our very valued customers who have suffered considerably in the prevailing global economic climate. While it remains difficult to forecast when conditions will revert to acceptable levels of growth, there are indications that lead me to expect that the Jamaican economy is adjusting to the global down turn and that all sectors are responding in a constructive fashion to optimize our prospects.

CIBC Cobranding

During the year, we changed the logo and brand collateral of the Bank to reflect to our various publics the majority ownership, support and infrastructural backing of CIBC. We believe that this change to the "CIBC FirstCaribbean" brand collateral has been welcomed by our staff and customers and brings with it a plethora of benefits because of the overt association and identity with CIBC.

Product Offerings and Enhancements

During the year our Retail Banking segment expanded its product offerings and improved the efficiency of our service delivery. We introduced enhancements to our electronic product suite including payment systems and merchant services. In addition, our Corporate Investment Banking along with the Treasury Team has collaborated to provide a more diverse range of products and solutions geared at meeting the needs of our corporate clientele through the use of derivative hedging solutions.

Our People

We have continued to invest in the training and development of all levels of staff and we have been able to access more readily, training opportunities for our people at CIBC and have successfully provided management development programs initially developed and delivered to CIBC executives, to our executives.

Governance

I can report that the Board of Directors of our Bank have met quarterly and continue to function effectively to monitor business performance, our governance and control systems. Most importantly they continue to provide guidance and leadership in the determination and execution of our strategic agenda.

Appreciation

During the year, the Group CEO, Mr. John D. Orr returned to CIBC on the completion of three years at CIBC FirstCaribbean. Mr. Orr took over the management of the Bank in 2008 and has made an important contribution to the development of the infrastructure and co-branding of the Bank at a time of strongly adverse economic headwinds. We thank him for his leadership and wish him well in his new position at CIBC.

During the year Director Peter McConnel retired from the Board and I would like to place on record our appreciation for his sterling support. I also wish to note that Mr. Milton Brady resigned from the Board as a non-executive Director and we thank him for his contribution.

In September 2011 Mr. Rik Parkhill was appointed the new CEO of the Group. Rik has already visited our staff and clientele here in Jamaica, and I am happy to report that he enjoys the support and commitment of all our people.

In conclusion, I wish to place on record our appreciation to the Government of Jamaica, our regulators, our customers and staff for the support and loyalty during the year. Despite the less than satisfactory financial results, I believe that the Bank has made considerable progress during the year, and that our people are motivated to improve our performance and that without a doubt, we will grasp every opportunity to return the Bank to the level of profitability that our shareholders and employees expect.

Michael K. Mansoor,
Executive Chairman

Managing Director's Message

Nigel Holness
Managing Director

We live and work in an era of high risk and instability in the global marketplace, which has created a business environment with a deep sense of unease. Global markets continue to show signs of cracks in their economies, as they struggle to recover from the historical "Black Swan" events experienced during the past 3 years. This is evidenced by Europe's fiscal crisis and a slow U.S. rebound hobbling the global recovery.

These events created significant challenges for a number of our client's business activities. This in-turn impacted our profitability, despite achieving significant accomplishments in key business drivers over the year. We have navigated through a period marked by tremendous challenges and uncertainties, requiring that we constantly evaluate our strategy in order to ensure stability. Our ability to be agile, focused, client centric, creative and innovative has laid the foundation for significant enhancements in our operations. Our intentions were deliberate in building a culture of performance, establishing a brand focus on financial partnership with a greater emphasis on providing innovative products, services and banking solutions that fit the needs of our clients. Our accomplishments over the past 90 years of serving Jamaica has clearly established our commitment to nation building and defines our character "the same people, the same bank". We remain dedicated and agile in our pursuits; focusing on doing new things with a renewed spirit of excellence and conviction, while partnering with our customers in achieving financial success.

Corporate Investment Banking:

The Corporate & Investment Banking (CIB) strategic business unit (SBU), having restructured in the prior fiscal, has forged a business that is better positioned to face the current challenge of limited growth within the banking industry. Over the last year focus was placed on branding, staffing, customer loyalty and the mitigation of risk. The SBU continues to meet the needs of its business partners through dedicated teams and the delivery of innovative products, the latest being derivatives and an array of transaction banking solutions. We are fully integrated and aligned to work with other SBUs and our ultimate parent, CIBC Canada.

Despite the continued economic challenges, the Investment Banking team leveraged its regional platform to secure mandates to arrange or co-arrange in excess of US$300 million in financing for customers within the distribution, hospitality and energy sectors. We benefited from the strong CIBC parent support in managing opportunities to partner with leading international institutions to deliver syndicated solutions.

The strategy of maintaining strong long term relationships, while offering a wide range of innovative solutions, has seen the CIB team develop a robust pipeline which should support a strong performance for the new fiscal.

For fiscal year 2011 the CIB team, along with the Treasury team, continued to collaborate to offer a diverse range of products and solutions, from 'plain vanilla' debt transactions to more structured solution-driven transactions in order to meet the financial and operational needs of our clientele. Our Treasury Client Solutions Group (CSG) continues to make great strides in the local market and has developed an enviable reputation for being the expert on derivative hedging solutions in local and regional markets. The CSG group, which provides hedging solutions for corporate clients using derivative strategies, officially launched its products and services in Jamaica in March of this year. The CSG group, which focused on clients with exposure in interest rate, foreign currency and commodity, has closed several transactions in a relatively short time span and has built a solid pipeline consisting of deals that are expected to materialise in the near future. The CSG group has organised, sponsored and presented in several capital market initiatives, such as the JSE Futures & Options Workshop in March 2011, CIBC FirstCaribbean "Managing Commodity Price Risk and Hedging Strategies in Volatile Times" Conference in June 2011 and the FSC Financial Expo 2011 in September 2011. We expect the CSG unit to contribute significantly to the Bank's fee generated business going forward and the solid platform laid so far this year augurs well for the future.

Retail Banking

During the past year the Retail Banking segment (which included Wealth & Small Business) initiated several innovative changes to our business model, which have served to expand the product offering and improve the efficiency of our service delivery.

The Wealth Management team was decentralised and officers are now located at the Liguanea, Montego Bay and New Kingston branches, which allows for a wider reach and more effective servicing of Wealth clients. Additionally, a new value proposition has been designed and launched to provide a higher level of premium service to this important group of customers.

The integration of the Small Business sub-segment in our branches was successfully completed and clients of that sub-segment are now able to transact business seamlessly in the branches. An upgraded Small Business offer is scheduled for roll out in the next fiscal and this will enhance our attractiveness to this customer group. Our sponsorship of a "Business Mingle" in May 2011, in conjunction with the Small Business Association of Jamaica, is further evidence of our commitment to this critical sector.

The past fiscal also saw the successful delivery to the market of two innovative and market leading products – Visa Debit and Mobile Banking - which both received overwhelming acceptance and accolades from our customers and the wider public, as they sought to take advantage of the added convenience of having access to their accounts via mobile phones 24 hours per day, whilst travelling overseas or here in Jamaica. We have also been able to improve the account opening process in our branches through the launch of an automated tool, which reduces the account opening time while enhancing the customer experience, allowing them to take advantage of all our associated products in the same interaction.

We also offered an attractive mortgage and loan campaign to attract new customers with home acquisition or other asset purchases by way of a "Switch Campaign" in which we absorbed a portion of the loan and legal fees. This offer generated significant interest and has assisted in increasing our mortgage and loan portfolios. We recently reduced interest rates on mortgages in response to the changing market conditions in an effort to alleviate the challenges faced by our customers in these difficult economic times. With the support of our committed staff members, we continue to be responsive to the needs of our customers and will seek to improve the delivery of service to them even further.

Our People and the Road Ahead

Our employees have a shared purpose which is in line with our values. With a distinct set of values, and a collaborative community spirit, our staff continues to exhibit quality characteristics, looking beyond their specific roles, which allows for the building of a culture of service excellence. Their continued delivery of outstanding service quality is critical to achieving our objectives. The course ahead is plotted, and this will allow our business to navigate through the obstacles of the upcoming Fiscal 2012 and beyond.

Lastly, I would like to express my sincere appreciation to everyone for the support, participation and guidance provided during this year and look forward to sustainable growth and profitability for the upcoming years.

Nigel Holness
Managing Director

"Our staff has a shared purpose which is in line with our pronouncements."

Board of Directors

Left to Right: Nigel Holness, *Managing Director*
Jean Lowrie-Chin, *Director*
Clovis Metcalfe, *Director*
Michael Mansoor, *Chairman*
Allison Rattray, *Legal Counsel/Corporate Secretary*
Lincoln Eatmon, *Director*
Anthony Bell, *Director*

Directors, Senior Management & Advisors

Nigel Holness
Managing Director

Michelle Campbell
Head of Technology Solutions

Jennifer Carty-Peart
Head – FirstCaribbean International Securities Limited

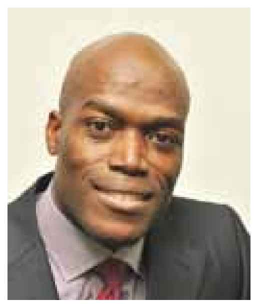
Douglas Cupidon
Head of Corporate Banking

Owen Francis
District Manager Retail Banking

Marvelette Gray
Manager Regional Processing Centre

Jerome Griffiths
Head of Human Resources

Yashi Hall
Associate Director, Investment Banking



Lancelot Leslie
Chief Financial Officer

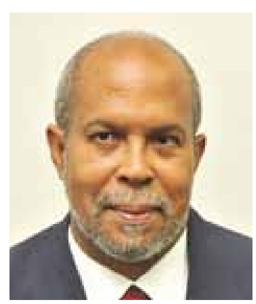
Catherine Peart
Director, Cards Acquiring

Velmore Lawrence
General Manager, FirstCaribbean International Building Society

Allison Rattray
Corporate Secretary/ Legal Counsel

Donna Walters
Director (Regional) Card Issuing, Sales, Marketing and Product Management

Mario Watts
Country Treasurer



Robert Wright
District Manager Retail Banking

Section 2

Our Communities

CIBC FirstCaribbean continues to give high priority to the Bank's corporate social responsibility programme with efforts focused on the areas of community relations and the Unsung Heroes Awards programme. The objective of these initiatives is to underscore the Bank's commitment to uplifting the communities in which it operates. Through the adopt-a-cause programme we continue to encourage staff volunteerism and foster community building.

UNSUNG HEROES

Ruthlyn James
Founder of the Adonijah Group of Schools

Responding to a compelling need Ruthlyn James has established the Adonijah Group of Schools which caters to special needs students including children affected by Autism, Cerebral Palsy, Downs Syndrome, Dyslexia and other disorders and has dedicated her family home to housing them.

Reverend Garth Minott
Stewardship of the HIV/AIDS Programme of the United Theological College of the West Indies (UTCWI)

Rev. Minott has been integrally involved in development of material for delivery in the HIV/AIDS Education programme of the UTCWI and associated agencies. He has also been instrumental in the development of a manual of sermon guideline to guide clergy / faith- based leaders to address HIV/AIDS in their messages. He is the leader of a group of pastors and UTCWI faculty involved in developing age-appropriate material on human sexuality for delivery in Schools, Church, and Sunday Schools.

Everett Lewis
Director and Treasurer Best Care Children's Foundation

Everett Lewis has served as a volunteer at the Best Care Children's Home since 1984 prudently managing the institutions finances in order to preserve its viability and the effective delivery of services to the children in their care. He has worked tirelessly with other volunteers to raise funds to cover the Home's operational expenses and special projects.

CIBC FirstCaribbean Continues to Invest in Youth Business in Jamaica, the Caribbean

A very pleased David Clarke (r), Chairman of the Jamaica Youth Business Trust receives a cheque for US$25,000 which represented the first tranche of a donation from the Bank for the JYBT, from Owen Francis, District Manager (left) and Nigel Holness, Managing Director.

CIBC FirstCaribbean Awards the Most Environmentally Aware School

Nigel Holness (2nd right), Managing Director presented Port Morant Primary & Junior High with the FirstCaribbean award for the Most Environmentally Aware School during the 2011 Jamaican Environmental Action Awards (JEAAs).

FirstCaribbean International Building Society provides for the Babies

FirstCaribbean International Building Society donated 2 Crib & Changer sets and 10 packs of high impact foam flooring to the Glenhope Nursery. Donna Reid, Customer Service Manager, Building Society (left) makes a point to Robert Wright, General Manager Building Society while holding a child from the Nursery. Ms. Cynthia Mullings, Manager, Glenhope Nursery looks on.

CIBC FirstCaribbean assists The Professional Development Institute and Girls Town

(L –R) Velda Sinclair, Administrator, Patricia Walker-Marson, Head of Department - Food Preparation and Lissette Daley, level 2 student Food Preparation Department are all smiles as they accept the donation of a 6 burner stove from Renee Whitehorne, Marketing Manager and Lancelot Leslie, Chief Financial Officer.

CIBC FirstCaribbean Gives Back to Western Jamaica

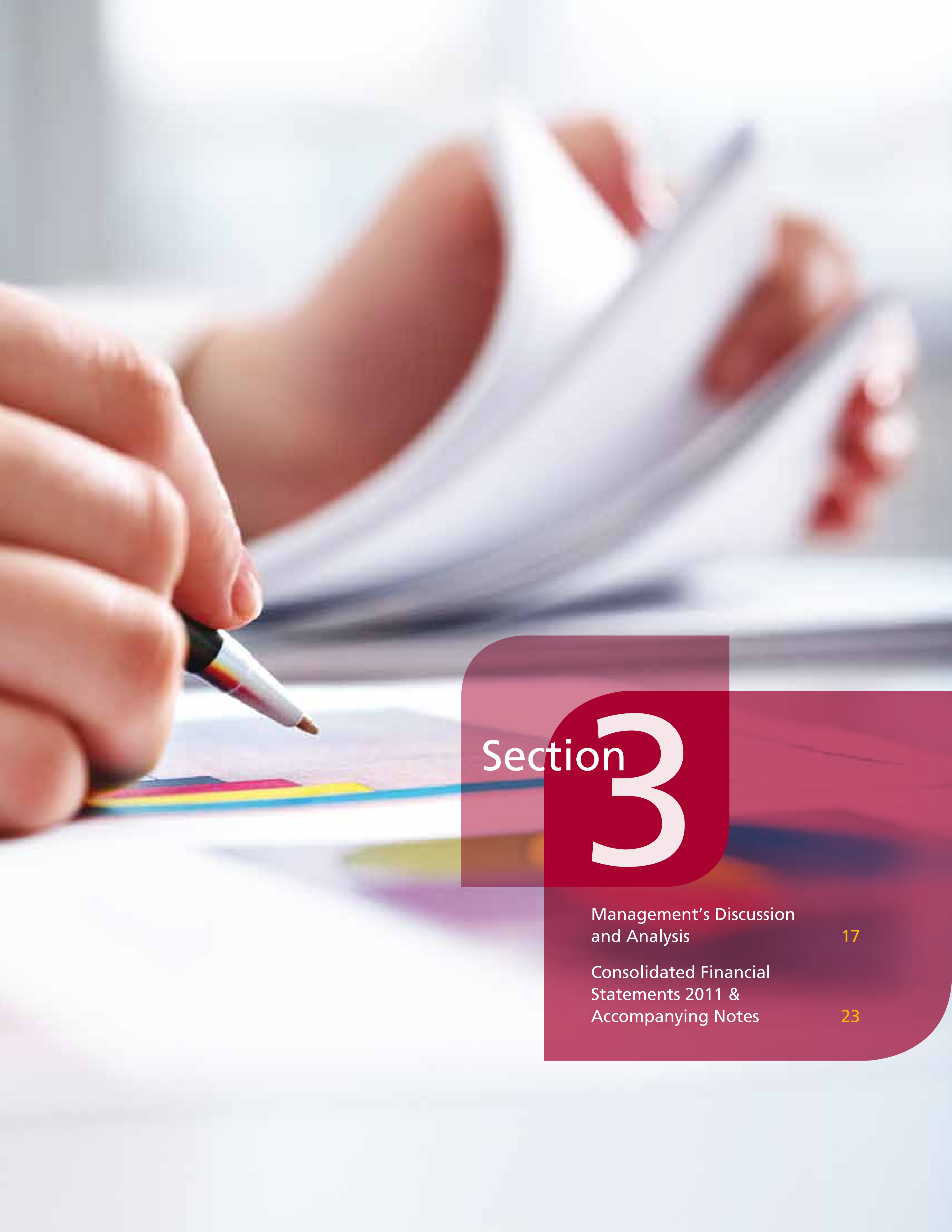
FirstCaribbean International Bank made a donation to the Cornwall Regional Hospital Pediatric Ward for the purchase of a Saturation Monitor with Probes. CIBC FirstCaribbean executives (R-L) Norman Vickers, Branch Manager, Montego Bay; Owen Francis, District Manager; Renee Whitehorne, Marketing Manager and Lois Heslop, Quality Control & Compliance Coordinator presented the cheque for the purchase of the equipment to (l-r) Everton Anderson, CEO, Cornwall Regional Hospital; Dr. Tracey Gilbert, Cornwall Regional Hospital and Dawn Harvey, Senior Administrator.

Regional Processing Centre Adopts the National Baptist Basic School

Members of the CIBC FirstCaribbean Regional Processing Centre team present a 20" gas stove to the National Baptist Basic School. The stove will be used to prepare hot meals daily for the students. CIBC FirstCaribbean representatives (l– r) Anthony Reid, Messenger and Vickacia Williams, Client Service Officer made the presentation to Texroy Foster, Teacher, Pauline Davis, Principal and a few of the children from the School.

A Facelift for Jones Town Basic School

Atress Appleton, Application Consultant and Michelle Campbell, Head of Technology Solutions, Retail and Wealth are hard at work during the Technology unit's Adopt-A-Cause workday at Jones Town Basic School. The 60 year old school received a much needed paint job and a toilet seat was installed.



Section 3

Management's Discussion and Analysis

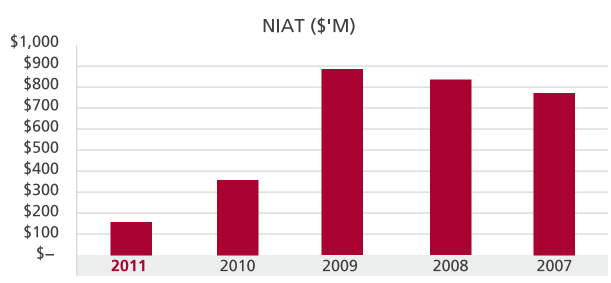
Management's discussion and analysis (MD&A) should be read in conjunction with the audited consolidated financial statements included in this Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Jamaican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

OVERVIEW

$'000s, for the year ended October 31

	2011	2010	2009
Net income before taxation	$ **$212,720**	$ $521,952	$ $1,307,287
Net income after taxation (NIAT)	$ **$156,762**	$ $358,664	$ $886,658
Earnings per share (cents)	**59**	135	334

FirstCaribbean International Bank (Jamaica) Limited reported net income after taxation of $157 million for the financial year ended October 31, 2011 compared to $359 million for the prior year. Total operating income increased over the last year, due to higher non-interest income, driven primarily by realized gains from investment securities. These gains were however offset by an increase in non-interest expenses, due mainly to increased staff costs. Additionally, loan loss expenses increased year on year, resulting primarily from significant provisions for delinquent corporate facilities. Net interest income fell when compared to prior year due mainly to lower interest income stemming from the decline in loan volumes.



FINANCIAL PERFORMANCE REVIEW

Net interest income and margin

	2011	2010	2009
Average assets	**51,179,165**	51,960,096	51,140,959
Net interest income	**3,300,729**	3,378,886	3,300,173
Net interest margin	**6.45%**	6.50%	6.45%

Net interest income consists of interest earned on assets, less interest paid on customers' deposits and other interest bearing liabilities. Net interest income amounted to $3,301 million for the year ended October 31, 2011 in comparison to $3,379 million for the previous year.

Interest income fell mainly due to lower average daily productive loan balances throughout the year. Investment interest was also down by 13% year over year due to reduced interest rates in the marketplace, as average investment securities volumes were significantly higher year on year.

Interest expenses were appreciably lower than the prior year. Customer deposit volumes were higher than the prior year, however, it took less to service these deposits in 2011 than in 2010 due to lower interest rates in the marketplace.

Net interest margin, which represents the net interest spread earned on total assets, decreased marginally year over year by 5 basis points to 6.45% from 6.50%.

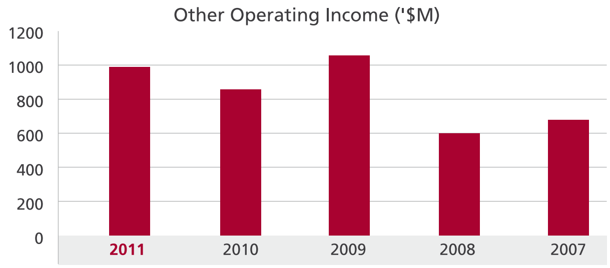
Other operating income

$'000s, for the year ended October 31

	2011	2010	2009
Net fees and commissions	**622,039**	573,350	603,008
Foreign exchange earnings	**235,581**	217,782	214,671
Securities gains (net)	**106,915**	33,501	239,027
Other income	**35,390**	28,492	-
	999,925	853,125	1,056,706

Other operating income, which includes all revenues not classified as interest income, increased by 17% over the prior year. This increase was mainly due to higher securities gains. Net fees and commissions grew mainly due to higher deposit and card services fees. Foreign exchange earnings increased as the year on year reduction in commissions resulting from a decline in spreads were fully offset by the increase in foreign exchange translation gains on net asset balances, as the Jamaican dollar depreciated slightly against hard currencies, when compared to the prior year where the Jamaican dollar appreciated.

Other operating income represented 23% of total operating income, compared to 20% for 2010, and this underscores management's efforts to diversify the Bank's income streams in order to create a more consistent and sustainable performance over time.



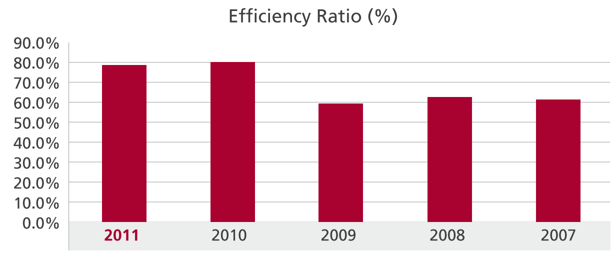
Operating expenses and efficiency ratio

$'000s, for the year ended October 31

	2011	2010	2009
Staff costs	**1,425,568**	1,207,019	1,209,516
Depreciation	**185,208**	140,142	109,264
Occupancy costs	**415,054**	392,866	317,891
Other	**1,464,007**	1,628,711	964,062
	3,489,837	3,368,738	2,600,733

Operating expenses includes all costs except interest expenses, provision for credit losses and income taxes. For the year ended October 31, 2011, this increased by $121 million (4%) over the preceding year.

Staff costs were higher than the prior year by $220 million, or, 18%, due mainly to increases pursuant to contractual union negotiations. Other operating expenses decreased by $165 million over the prior year, primarily as a result of the reduction in the amount reimbursed to Head Office for the Bank's share of central support costs.



Loan loss impairment

$'000s, for the year ended October 31

	2011	2010	2009
Individual impairment expense			
Mortgages	4003	(58,412)	40,882
Personal	181,862	156,655	164,042
Business & Government	504,547	230,503	215,852
	690,412	328,746	420,776
Collective impairment expense	(92,315)	12,575	28,083
	598,097	341,321	448,859

Despite the Bank's efforts to work with our customers to prevent further delinquencies; while restructuring current obligations to make them more manageable where necessary, loan loss expenses increased by $257 million over the prior year. Business & Government loan loss impairment grew by $274 million year on year mainly as a result of the classification of a large loan.

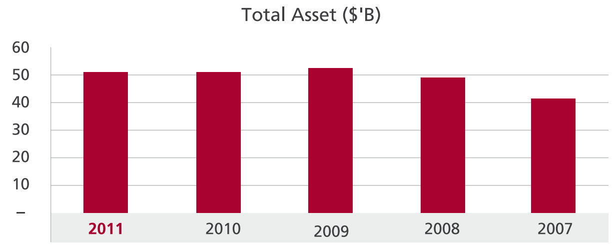
The ratio of loan loss impairment to gross loans was 2% at the end of this year, compared with 1% at the end of the prior year. The ratio of non-performing loans to gross loans increased to 16% this year from 8% last year end.

Statement of Financial Position

J$(000)	2011	2010	2009
Assets			
Cash resources	**13,231,007**	14,457,409	12,986,914
Investment securities	**5,062,909**	2,494,812	2,294,308
Government securities purchased under reverse			252,024
repurchase agreements	**423**	226,567	
Loans & Advances to customers	**30,458,598**	31,346,134	34,385,404
Other assets	**2,341,051**	2,739,420	2,737,200
	51,093,988	51,264,342	52,655,850
Liabilities and stockholders' equity			
Customers' deposits	**42,595,319**	41,925,457	43,900,172
Other liabilities	**652,782**	1,708,531	1,499,515
Stockholders' equity	**7,845,887**	7,630,354	7,256,163
	51,093,988	51,264,342	52,655,850

Asset growth

Total assets stood at $51 billion as at October 31, 2011 and remained relatively flat when compared to the prior year. Investment securities increased markedly due mainly to increased holdings of Government of Jamaica instruments. This increase was fully offset by lower cash resources from a reduction in holdings of Bank of Jamaica Certificates of Deposit as well as lower loan balances. The total assets for the commercial bank and building society stood at $46 billion and $9 billion, respectively, as at October 31, 2011.



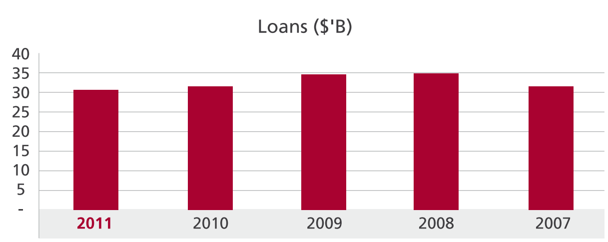
Cash resources and investments

Cash resources decreased by $1.2 billion, or 9%. This comprises cash, interest bearing short-term deposits/ investments with other financial institutions and statutory reserves and balances with the Central Bank.

The investment securities portfolio which increased by $2.6 billion over the prior year, consists primarily of Government of Jamaica instrument including bonds and treasury bills. During the year the bank increased its investment securities holdings in an effort to maintain its net interest margins.

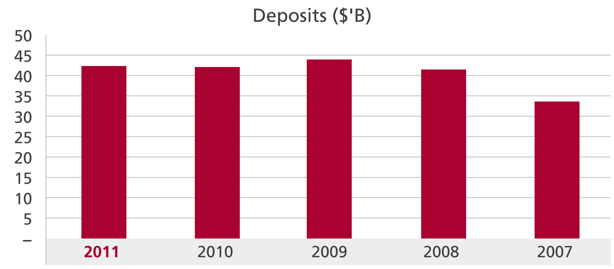
Loans & advances to customers

Net loans and advances to customers stood at $30 billion as at October 31, 2011, which is 3% lower than last year. Gross business & government loans declined by $565 million, while mortgages and personal loans grew by $325 million and $114 million, respectively. The credit quality of our loan portfolio continues to be negatively impacted by the slow pace of the global economic recovery, which features fewer business activities and prospects, and this has affected the fortunes of some of our clients. The ratio of non-performing loans to total loans increased from 8% in the prior year to 16% this year. The Bank has chanelled some resources towards working with our valued clients to prevent further delinquencies, in addition to reducing the current levels of delinquencies by restructuring their obligations in an effort to make the repayments more manageable.



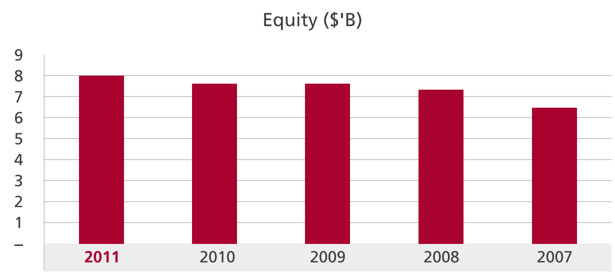
Deposits

Customer deposits grew by $670 million or 2%, to close the year at $43 billion. Funding from business & government increased by $764 million (6%); while funding from other financial institutions grew by $13 million. Deposits from individuals decreased by $69 million (0.4%) when compared to prior year.



Equity

Capital strength provides protection to depositors and creditors, which allows the bank to undertake profitable business opportunities as they arise and helps to maintain favourable credit ratings. The Bank and the Building Society are adequately capitalised. The risk-weighted capital ratio stands at 23% and 28% for the Bank and Building Society, respectively, measured against a prudential minimum of 10%.



The share price closed the year at $6.50 compared to $13.28 per share at the close of the previous year. The book value per share increased year over year from $28.71 in the prior year, to $29.52 as at October 31, 2011. As at October 31, 2011 Stockholders' Equity stood at $7.8 billion. No dividends were declared or paid during the year.

The Bank has been advised that the Board of the Jamaica Stock Exchange has exercised its discretion under Rule 411A of the JSE Rules, and determined that the ordinary shares of the Bank shall be delisted from the Exchange with effect from the close of business on Friday, December 30, 2011. In order to enable minority holders of the ordinary shares to dispose of their shares before the delisting if they wish to do so, the Bank intends, in accordance with section 58 of the Companies Act and Rule 413 of the JSE Rules, to buy back ordinary shares for cancellation at the fixed price of $13.25 each from minority holders who wish to sell their shares to the Bank up to December 27, 2011. Conditional on the decision to delist and based on the approval of the Board of the JSE under Rule 412A of the JSE rules, the Bank will issue to its parent bank, FirstCaribbean International Bank Limited, for cash, ordinary shares equivalent in value to the shares purchased by the Bank from the minority shareholders. The purpose of the issue of ordinary shares to the parent bank for cash would be to avoid any diminution in the Bank's stated capital value as a result of the Bank's purchases of shares from the minority shareholders.

Economic Environment

The Jamaican economy has recently shown some encouraging signs of stability following the 2010 domestic debt exchange programme, and its return to the IMF with borrowing rights under a standby agreement. However, growth has not returned to pre-recession levels. The Jamaican economy grew at a slower rate of 0.5% in the third quarter of July to September 2011 compared to upwardly revised rates of 1.6% in the first quarter, and 2.1% in the second quarter of 2011. The economy is, however, still very vulnerable to external shocks, and the long running European debt crisis has served to further weaken prospects for the planned reopening of plants in the bauxite industry, as well as to dampen the projections for tourist arrivals out of the important US and European markets.

- Inflation was contained to single digits during the period, partly owing to the relative stability of the Jamaican dollar, as well as continuing relative weak demand for goods and services. The inflation rate for the government's fiscal year to October 2011 was 4.6% (2010 – 4.7%) and 5.1% for the calendar year to October 2011 (2010 – 9%).
- Interest rates fell marginally compared to last year. The average domestic currency loan rate for commercial banks was 18.32% at October 2011 compared to 19.20% for the similar period in 2010. Average domestic currency savings rates fell from 2.63% in October 2010 to 2.13% in October 2011.
- The Jamaican dollar depreciated slightly by J$0.87, or 1%, against its US dollar counterpart for the year ended October 31, 2011 compared to an appreciation of J$3.62 or 4% for the similar period in the previous year. The spot market weighted average selling rate traded at J$86.49 as at October 31, 2011 (2010 – J$85.62).
- Net international reserves stood at US$2,032.17 million as at October 31, 2011, a year over year increase of US$48.70 million, or 2.5%, and representing 20.4 weeks of imports of goods and services (2010 – US$1,983.47 million or 21.7 weeks).
- The current account trade deficit for the first six months of calendar 2011 stood at US$805.4 million, compared to US$261.6 million for the same period in 2010. This represents a US$543.8 million deterioration in the current account trade balance when compared to the corresponding six (6) months of 2010. As is customary in Jamaica, when economic activity begins to rebound, the trade imbalance worsens as Jamaica is a net importer of goods and services.

The Jamaican economy showed signs of recovery during the 2011 fiscal year. However, the Government's fiscal deficit for the first six months was $37.5 billion, which was some $3.8 billion less than budgeted. Given Jamaica's high public debt and increasing pressures on its already burdened revenue streams, the current fiscal imbalance will be difficult to correct in the short to medium term. Meanwhile, any meaningful economic expansion from external sources is inhibited by the poor state of the global economy. FirstCaribbean International Bank is aware of all these challenges and will continue to carefully navigate these conditions by prudent risk management while taking advantage of opportunities as they arise.

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 cash flow 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 35 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 line management. The compliance team is tasked with identifying the compliance obligations of the Bank. 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 ALCO is 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.

FirstCaribbean International Bank
(Jamaica) Limited

Consolidated Financial Statements

For the Year Ended 31 October 2011
(Expressed in Jamaican dollars unless otherwise indicated)

Contents

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Kingston 8
Jamaica

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank (Jamaica) Limited

We have audited the accompanying financial statements of FirstCaribbean International Bank (Jamaica) Limited and its subsidiary (the "Group") and FirstCaribbean International Bank (Jamaica) Limited (the "Bank") which comprise the consolidated and bank statements of financial position as at 31 October 2011 and the consolidated and bank statements of income, comprehensive 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 financial statements in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 about whether the 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 auditor's 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 financial statements give a true and fair view of the financial positions of the Group and the Bank as at 31 October 2011 and of the Group's and the Bank's financial performance, and cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

Report on Additional Requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.

Ernst & Young

Chartered Accountants
Kingston, Jamaica
15 December 2011

A member firm of Ernst & Young Global Limited
Partners: Allison Peart, Linval Freeman

Consolidated Statement of Financial Position

As at 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
ASSETS			
Cash and balances with Central Bank	3	**9,783,089**	10,952,478
Due from other banks	4	**3,447,918**	3,504,931
Derivative financial instruments	5	**5,923**	-
Other assets	6	**437,350**	894,133
Investment securities	7	**5,062,909**	2,494,812
Government securities under reverse repurchase agreements	8	**423**	226,567
Loans and advances to customers	9	**30,458,598**	31,346,134
Property and equipment	10	**698,315**	693,991
Deferred tax assets	11	**11,913**	16,075
Retirement benefit asset	12	**1,060,293**	1,012,125
Taxation recoverable		**127,257**	123,096
TOTAL ASSETS		**51,093,988**	51,264,342

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
LIABILITIES AND EQUITY			
LIABILITIES			
Customer deposits	13	**42,595,319**	41,925,457
Derivative financial instruments	5	**4,298**	445,392
Other liabilities	14	**413,421**	919,181
Taxation payable		**51,099**	95,215
Deferred tax liabilities	11	**146,798**	211,478
Retirement benefit obligation	12	**37,166**	37,265
TOTAL LIABILITIES		**43,248,101**	43,633,988
EQUITY			
Share capital	15	**1,396,667**	1,396,667
Reserves	15	**5,671,013**	5,636,585
Retained earnings		**778,207**	597,102
TOTAL EQUITY		**7,845,887**	7,630,354
TOTAL LIABILITIES AND EQUITY		**51,093,988**	51,264,342

The accompanying notes form an integral part of these financial statements.

Approved for issue by the Board of Directors on 15 December 2011 and signed on its behalf by:

Michael Mansoor

Anthony Bell

Nigel Holness

Allison Rattray

Consolidated Statement of Changes in Equity

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 31 October 2009		1,396,667	5,473,571	385,925	7,256,163
Total comprehensive income for the year	17&27	-	15,527	358,664	374,191
Transfer to statutory reserve fund	18	-	100,000	(100,000)	-
Transfer to loan loss reserve	20	-	47,487	(47,487)	-
Balance at 31 October 2010		1,396,667	5,636,585	597,102	7,630,354
Total comprehensive income for the year	17&27	-	58,771	156,762	215,533
Transfer to statutory reserve fund	18	-	150,000	(150,000)	-
Transfer from loan loss reserve	20	-	(174,343)	174,343	-
Balance at 31 October 2011		**1,396,667**	**5,671,013**	**778,207**	**7,845,887**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Income

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
Interest and similar income		**4,005,535**	4,691,098
Interest and similar expense		**(704,806)**	(1,312,212)
Net interest income	22	**3,300,729**	3,378,886
Other operating income	23	**999,925**	853,125
Total operating income		**4,300,654**	4,232,011
Loan loss impairment	9	**(598,097)**	(341,321)
Net operating income		**3,702,557**	3,890,690
Operating expenses	24	**(3,489,837)**	(3,368,738)
Income before taxation	25	**212,720**	521,952
Income tax expense	26	**(55,958)**	(163,288)
NET INCOME FOR THE YEAR	27	**156,762**	358,664
EARNINGS PER STOCK UNIT	28	**$0.59**	$1.35

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
Net income for the year	27	**156,762**	358,664
Other comprehensive income:			
Net gains on available-for-sale investment securities, net of tax	29	**58,771**	15,527
Total comprehensive income for the year, net of tax		**215,533**	374,191
Attributable to:			
Equity holders of the parent		**215,533**	374,191

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 October

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011	2010
Cash Flows from Operating Activities		**$'000**	**$'000**
Income before taxation		**212,720**	521,952
Adjustments to reconcile income to net cash used in operating activities:			
Loan loss impairment		**598,097**	341,321
Gain on disposal of property and equipment		**(12)**	(1,649)
Depreciation	10	**185,208**	140,142
Interest income	22	**(4,005,535)**	(4,691,098)
Interest expense	22	**704,806**	1,312,212
Fair value gains on derivative financial instruments		**(18,685)**	(32,308)
Unrealised foreign exchange losses		**3,612**	50,943
		(2,319,789)	(2,358,485)
Changes in operating assets and liabilities:			
Loans and advances to customers		**258,732**	1,956,497
Customer deposits		**546,788**	(867,964)
Retirement benefit asset		**(48,168)**	(138,001)
Retirement benefit obligation		**(99)**	(2,065)
Other assets		**451,803**	309,041
Other liabilities		**(895,630)**	258,274
Statutory reserves with Bank of Jamaica		**(273,523)**	651,723
		(2,279,886)	(190,980)
Interest received		**4,110,290**	4,718,686
Interest paid		**(777,708)**	(1,456,124)
Income tax paid		**(194,137)**	(298,555)
Net cash provided by operating activities		**858,559**	2,773,027
Cash Flows from Investing Activities			
Investment securities, net		**(2,445,941)**	(161,603)
Government securities under reverse repurchase agreements, net		**225,384**	26,218
Money market placements		**1,250,946**	(1,296,509)
Additions to property and equipment	10	**(189,539)**	(200,816)
Proceeds from disposal of property and equipment		**19**	22,332
Net cash used in investing activities		**(1,159,131)**	(1,610,378)
Net (decrease)/increase in cash and cash equivalents		**(300,572)**	1,162,649
Effect of exchange rate changes on cash and cash equivalents		**51,593**	(336,940)
Cash and cash equivalents at beginning of year		**8,763,996**	7,938,287
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	**8,515,017**	8,763,996

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
ASSETS			
Cash and balances with Central Bank	3	**9,475,067**	10,742,393
Due from other banks	4	**6,146,211**	6,234,723
Derivative financial instruments	5	**5,923**	-
Other assets	6	**370,538**	499,700
Investment securities	7	**5,629,809**	2,977,712
Government securities under reverse repurchase agreements	8	**423**	21,727
Loans and advances to customers	9	**22,150,493**	23,336,272
Property and equipment	10	**696,316**	691,291
Retirement benefit asset	12	**1,054,169**	1,005,903
Taxation recoverable		**127,257**	123,096
TOTAL ASSETS		**45,656,206**	45,632,817

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
LIABILITIES AND EQUITY			
LIABILITIES			
Customer deposits	13	**38,089,370**	36,970,221
Derivative financial instruments	5	**4,298**	445,392
Other liabilities	14	**841,774**	1,287,446
Deferred tax liabilities	11	**146,798**	211,478
Retirement benefit obligation	12	**37,166**	37,265
TOTAL LIABILITIES		**39,119,406**	38,951,802
EQUITY			
Share capital	15	**1,396,667**	1,396,667
Reserves	15	**4,558,853**	4,763,028
Retained earnings		**581,280**	521,320
TOTAL EQUITY		**6,536,800**	6,681,015
TOTAL LIABILITIES AND EQUITY		**45,656,206**	45,632,817

The accompanying notes form an integral part of these financial statements.

Approved for issue by the Board of Directors on 15 December 2011 and signed on its behalf by:

Michael Mansoor

Anthony Bell

Nigel Holness

Allison Rattray

Statement of Changes in Equity

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital	Reserves	Retained Earnings	Total
		$'000	$'000	$'000	$'000
Balance at 31 October 2009		1,396,667	4,818,923	378,787	6,594,377
Total comprehensive income for the year	17&27	-	15,527	71,111	86,638
Transfer from loan loss reserve	20	-	(71,422)	71,422	-
Balance at 31 October 2010		1,396,667	4,763,028	521,320	6,681,015
Total comprehensive income/(loss) for the year	17&27		58,771	(202,986)	(144,215)
Transfer from loan loss reserve	20		(262,946)	262,946	-
Balance at 31 October 2011		**1,396,667**	**4,558,853**	**581,280**	**6,536,800**

The accompanying notes form an integral part of these financial statements.

Statement of Income

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011	2010
		$'000	$'000
Interest and similar income		**3,238,276**	3,948,554
Interest and similar expense		**(519,623)**	(997,856)
Net interest income	22	**2,718,653**	2,950,698
Other operating income	23	**967,436**	824,327
Total operating income		**3,686,089**	3,775,025
Loan loss impairment	9	**(601,494)**	(394,189)
Net operating income		**3,084,595**	3,380,836
Operating expenses	24	**(3,385,806)**	(3,269,348)
(Loss)/Income before taxation	25	**(301,211)**	111,488
Income tax credit/(expense)	26	**98,225**	(40,377)
NET (LOSS)/INCOME FOR THE YEAR	27	**(202,986)**	71,111

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
Net (loss)/income for the year	27	**(202,986)**	71,111
Other comprehensive income:			
Net gains on available-for-sale investment securities, net of tax	29	**58,771**	15,527
Total comprehensive (loss)/income for the year, net of tax		**(144,215)**	86,638
Attributable to:			
Equity holders of the parent		**(144,215)**	86,638

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2011 $'000	2010 $'000
Cash Flows from Operating Activities			
(Loss)/income before taxation		**(301,211)**	111,488
Adjustments to reconcile (loss)/income to net cash used in operating activities:			
Loan loss impairment		**601,494**	394,189
Gain on disposal of property and equipment		**(12)**	(833)
Depreciation	10	**184,316**	139,151
Interest income	22	**(3,238,276)**	(3,948,554)
Interest expense	22	**519,623**	997,856
Fair value gains on derivative financial instruments		**(18,685)**	(32,308)
Unrealised foreign exchange losses		**4,296**	49,691
		(2,248,455)	(2,289,320)
Changes in operating assets and liabilities:			
Loans to customers		**573,064**	2,270,345
Customer deposits		**1,000,241**	(1,043,162)
Retirement benefit asset		**(48,266)**	(151,513)
Retirement benefit obligations		**(99)**	(5)
Other assets		**123,239**	(52,416)
Other liabilities		**(839,745)**	792,368
Statutory reserves at Bank of Jamaica		**(290,129)**	528,763
		(1,730,150)	55,060
Interest received		**3,307,923**	3,996,511
Interest paid		**(576,258)**	(1,107,128)
Income tax paid		**-**	(236,294)
Cash provided by operating activities		**1,001,515**	2,708,149
Cash Flows from Investing Activities			
Government securities purchased under resale agreements ,net		**21,211**	4,806
Investment securities, net		**(2,529,941)**	(161,535)
Money market placements		**1,001,072**	(2,654,681)
Additions to property and equipment	10	**(189,348)**	(180,639)
Proceeds from disposal of property and equipment		**19**	1,471
Net cash used in Investing Activities		**(1,696,987)**	(2,990,578)
Net decrease in cash and cash equivalents		**(695,472)**	(282,429)
Effect of exchange rate changes on cash and cash equivalents		**50,577**	(331,129)
Cash and cash equivalents at beginning of year		**9,058,574**	9,672,132
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	**8,413,679**	9,058,574

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 October 2011

(Expressed in Jamaican dollars unless otherwise indicated)

1 Corporate Information

FirstCaribbean International Bank (Jamaica) Limited (the "Bank"), which was incorporated and is domiciled in Jamaica, is a 96.3% (2010 - 96.3%) subsidiary of FirstCaribbean International Bank Limited (the "Parent"), a bank incorporated and domiciled in Barbados. The ultimate parent company and controlling party is Canadian Imperial Bank of Commerce ("CIBC"), a company incorporated in Canada.

The registered office of the Bank is located at 23-27 Knutsford Boulevard, Kingston 5, Jamaica.

The Bank is licensed and these financial statements are prepared in accordance with the Banking Act, 1992 and the Banking (Amendment) Act, 1997.

The Bank is listed on the Jamaica Stock Exchange.

The Bank's subsidiary, FirstCaribbean International Building Society (the "Subsidiary") is 100% owned and is incorporated and domiciled in Jamaica. Its principal activity is mortgage financing and its year end is October 31.

The consolidated financial statements include the financial statements of the Bank and its subsidiary. The Bank and its subsidiary are collectively referred to as the "Group".

2 Summary of Significant Accounting Policies

The principal financial accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in conformity with International Reporting Financial Standards (IFRS) and the requirements of the Jamaican Companies Act.

(ii) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for available-for-sale investment securities, and derivative financial instruments, which have all been measured at fair value. The carrying value of recognized assets that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. Additionally, certain land and buildings are measured at deemed cost. Deemed cost represents fair value at the date of transition to IFRS.

(iii) Judgment and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain critical estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 36.

(iv) Basis of consolidation

Subsidiaries, which are those entities in which the Bank, directly or indirectly holds the majority of the voting rights and where it determines their financial and business policies and is able to exercise control over them in order to benefit from their activities, have been fully consolidated. Subsidiaries are consolidated from the date on which the effective control is transferred to the Bank. Control is achieved where the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The result of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

All inter-company transactions, balances and unrealised surpluses and deficits on transactions and balances have been eliminated.

(b) Changes in accounting policies

(i) Standards, interpretations and amendments to published standards that were adopted during the year.

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted the elements of Improvements to International Financial Reporting Standards (issued 2009 and 2010) which were required for annual periods beginning after November 1, 2010.

Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

(ii) Standards, interpretations and amendments to published standards that are not yet effective

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, 2011. Of these, the following are relevant to the Group but have not been early adopted:

- IAS 1 Presentation of items of other comprehensive income – amendments to IAS 1
- IAS 19 Employee benefits (revised)
- IAS 24 (Revised), Related party transactions
- IFRS 7 Financial instruments: disclosures (amendment)
- IFRS 9 Financial instruments part 1: classification and measurement
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interests in other entities
- IFRS 13 Fair value measurement

The amendment to IAS 1 changes the grouping of items presented in other comprehensive income, separating items that would be reclassified (or recycled) to the statement of income in the future from those that will never be reclassified.

IAS 19 (revised) removes the ability to defer recognition of actuarial gains and losses (the 'corridor approach') requiring instead recognition in other comprehensive income with no subsequent recycling to the statement of income. It also introduces new quantitative and qualitative disclosures.

IAS 24 has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control with a partial exemption from the disclosures from government related entities.

IFRS 7 (Amendment) requires additional quantitative and qualitative disclosures related to transfers of financial assets in specific circumstances.

IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets.

IFRS 10 includes a new definition of control, which is used to determine which entities are consolidated.

IFRS 11 describes the accounting for joint arrangements with joint control; proportionate consolidation is not permitted for joint ventures (as newly defined).

IFRS 12 includes all of the disclosure requirements for subsidiaries, joint arrangements, associates, and structured entities.

IFRS 13 provides a single source of guidance under IFRS for all fair value measurements.

IAS 24 is mandatory for annual periods beginning on or after January 1, 2011, IFRS 7 (amendment) for annual periods beginning on or after July 1, 2011 and IAS 1 for annual periods beginning on or after July 1, 2012. All of the remaining standards noted above are effective for annual periods beginning on or after January 1, 2013. Early adoption is permitted, and management is considering the implications of these new standards, the impact on the Group and the timing of their adoption by the Group.

(c) Segment reporting

Business segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the business segments of an entity. The Group has determined the Group's Executive Management Committee as its chief operating decision maker.

All transactions between business segments are conducted on an arm´s length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

(d) Foreign currency translation

Items included in the financial statements of the Group and the Bank are measured using the currency of the primary economic environment in which the entity operates, referred to as the functional currency. The functional currency of each entity is the same as its presentation currency. The consolidated financial statements are presented in Jamaican dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised in the statement of income.

Translation differences resulting from changes in the amortised cost of foreign currency monetary assets classified as available-for-sale are recognised in the statement of income. Other changes in the fair value of these assets are recognised in equity. Translation differences on non-monetary financial assets classified as available-for-sale are reported as a component of the fair value gain or loss in stockholders' equity.

(e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to manage its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives are taken directly to the statement of income, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk)
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed at inception and on a monthly basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the Group's strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedge
For hedging relationships which are designated and qualify as fair value hedges and that prove to be highly effective in relation to hedged risk, changes in the fair value of the derivatives are recorded in the statement of income, 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.

(ii) 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 other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income.

Amounts accumulated in other comprehensive income are recycled to the statement of income 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 other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the statement of income.

Certain derivative instruments do not qualify for hedge accounting or are not so designated, and changes in the fair value of these derivatives are included in net trading income or losses in the statement of income.

(f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and balances with Bank of Jamaica (excluding statutory reserves) and accounts with other banks (Note 3).

(g) Financial assets

The Group classifies its financial assets into the following categories:
(i) Loans and receivables; or
(ii) Available-for-sale financial assets.

Management determines the classification of its investments at initial recognition.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities

that are not quoted in an active market. They arise when the Group provides money, goods or services directly or indirectly to a debtor with no intention of trading the receivable.

(ii) 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 available-for-sale that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at trade date, which is the date that the Group commits to purchase or sell the asset. Otherwise such transactions are treated as derivatives until settlement occurs. Loans and receivables are recognised when cash is advanced to borrowers.

Financial assets 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 are subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the statement of income as gains and losses from investment securities.

Loans and receivables financial assets are carried at amortised cost using the effective interest method, less any provisions for impairment. Third party expenses associated with loans and receivables, such as legal fees incurred in securing a loan are expensed as incurred.

Unquoted equity instruments for which fair values cannot be measured reliably are recognised at cost less impairment.

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.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

(i) Impairment of financial assets

The Group assesses at each reporting 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.

If there is objective evidence that an impairment loss on loans and receivables 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 current effective interest rate.

Loans are written off, in whole or in part, against the related allowance for credit losses upon settlement (realisation) of collateral or in advance of settlement (no realisation) where the determination of the recoverable value is completed and there is no realistic prospect of recovery above the recoverable value. Any subsequent recoveries are credited to the statement of income. 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. 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.

(j) Derecognition of financial assets and liabilities

(i) Financial assets

Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired, the rights to receive cash flows from the asset have been transferred or there is an obligation to pay the received cash flows in full without material delay to a third party, and where the Group has transferred substantially all risks and rewards of ownership or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

(k) Investments in subsidiary

Investments by the Bank in its subsidiary are stated at cost.

(l) Sale and repurchase agreements and lending of securities

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(m) Loans and provision for impairment losses

Loans are stated net of unearned income and provision for impairment.

Loans are recognised when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

A provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

The provision for loan impairment also covers losses where there is objective evidence that probable losses are present in components of the loan portfolio at the statement of financial position date. These have been estimated based upon historical patterns of losses in each component, the credit rating allocated to the borrowers and the current economic climate in which the borrowers operate.

A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. As required by statutory regulations, if a payment on a loan is contractually 90 days in arrears, the loan will be classified as impaired, if not already classified as such. Any credit card loan that has a payment that is contractually 180 days in arrears is written-off.

(n) Leases

(i) As lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

(ii) As lessor

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.

(o) Property and equipment

Land and buildings comprise mainly branches and offices and are shown at deemed cost, less subsequent depreciation for buildings. Under IFRS 1, a first time adopter may elect to use a previous GAAP revaluation of an item of property and equipment as its deemed cost. The Group elected to apply this provision on transition to IFRS on 1 November 2002.

All other property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Land is not depreciated. Depreciation on other 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 shorter life of the lease
- Equipment, furniture and vehicles	20 – 50%

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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if 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. The expense relating to any provision is charged to the statement of income net of any reimbursement.

(q) Income taxes

Taxation expense in the statement of income comprises current and deferred tax charges.

Current tax charges are based on taxable income for the year, which differs from the income before tax reported because taxable income excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income 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. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited in the statement of income, except where it relates to items charged or credited to other comprehensive income, in which case deferred tax is also dealt with in the statement of comprehensive income.

Deferred income tax liabilities are not recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of the subsidiary as such amounts are permanently reinvested.

(r) Customer Loyalty Programme

The Bank offers customer points programmes 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.

(s) Retirement benefit obligations

(i) Pension obligations

The Group operates a defined benefit plan and a defined contribution plan, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from the Group, taking account of the recommendations of independent qualified actuaries.

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. The asset recognised in the statement of financial position in respect of the defined benefit pension plan is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets, together with adjustments for unrecognised actuarial gains and 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. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the expected average 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 which case, past service costs are amortised on a straight-line basis over the vesting period.

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 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

The Group provides post-retirement health care 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 service lives of the related employees. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave and other benefits

Employee entitlements to annual leave and other benefits are recognised when they accrue to employees. A provision is made for the established liability for annual leave and other benefits as a result of services rendered by employees up to the statement of financial position date.

(t) Share-based payment transactions

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 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.

(u) Recognition of income and expenses

(i) Interest and similar income and expense

Interest and similar income and expense are recognised in the statement of income for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price or estimated recoverable amount. Interest income includes coupons earned on fixed income investments and accrued discount or premium on treasury bills and other discounted instruments.

Where collection of interest income is considered doubtful, or payment is outstanding for more than 90 days, the banking regulations stipulate that interest should be taken into account on the cash basis. IFRS requires that when loans become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

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 recognized using the original effective interest rate for the purpose of measuring impairment loss.

(ii) Fee and commission income

Fees and commission are generally recognised on an accrual basis when the service has been provided. Fees and commission arising from origination, 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, usually on a time-apportioned basis. Asset management fees related to investment funds are recognised rateably 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.

(iii) 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.

(v) 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 outstanding during the year.

(w) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. In particular, they relate to amounts disclosed for interest income and loan loss impairment. These changes are not considered material to the financial statements.

3 Cash and Balances with Central Bank

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Cash	456,660	449,792	**456,658**	449,790
Deposits with Central Bank – interest bearing	7,303,590	8,560,833	**7,021,123**	8,380,141
Deposits with Central Bank – non-interest bearing	2,004,226	1,913,669	**1,979,176**	1,884,278
	9,764,476	10,924,294	**9,456,957**	10,714,209
Interest receivable	18,613	28,184	**18,110**	28,184
	9,783,089	10,952,478	**9,475,067**	10,742,393

Under Section 14 (i) of both the Banking Act, 1992 and section 13 of the Bank of Jamaica (Building Societies) Regulations, 1995, the Bank and its subsidiary are required to place deposits with The Bank of Jamaica ("Central Bank") which are held substantially on a non-interest-bearing basis as a cash reserve; accordingly, these amounts are not available for investment or other use by the Bank and its subsidiary. These reserves represent the required ratio of the Bank's and its subsidiary's prescribed liabilities as follows:

	The Bank		The Subsidiary	
	2011	**2010**	**2011**	**2010**
Jamaica dollar denominated cash reserves	**12%**	12%	**1%**	1%
Foreign currency denominated reserves	**9%**	9%	**1%**	1%

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Cash and balances with Central Bank	**9,783,089**	10,952,478	**9,475,067**	10,742,393
Less: Mandatory reserve deposits with Central Bank (Note 33)	**(3,263,140)**	(2,989,617)	**(3,215,663)**	(2,925,534)
	6,519,949	7,962,861	**6,259,404**	7,816,859
Due from other banks (Note 4)	**3,447,918**	3,504,931	**6,146,211**	6,234,723
	9,967,867	11,467,792	**12,405,615**	14,051,582
Less: Balances with maturity dates over 90 days	**(1,452,850)**	(2,703,796)	**(3,991,936)**	(4,993,008)
	8,515,017	8,763,996	**8,413,679**	9,058,574

4 Due From Other Banks

	The Group		The Bank	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Money market placements	**3,446,179**	3,500,852	**6,134,503**	6,218,461
Interest receivable	**1,739**	4,079	**11,708**	16,262
	3,447,918	3,504,931	**6,146,211**	6,234,723

Included in money market placements are deposits with the ultimate parent company of $355,954,000 (2010 – $98,900,000) for the Group.

5 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 and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are indicative of neither the market risk nor the credit risk.

The Group and the Bank

		Fair Values	
	Contract / Notional Amount US$'000	Assets J$'000	Liabilities J$'000
As at 31 October 2011			
Commodity derivative	688	4,298	(4,298)
Interest rate swaps	3,800	1,625	-
	4,488	5,923	(4,298)
As at 31 October 2010			
Interest rate swaps	34,955	-	(445,392)

As of October 31, 2011 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.

Commodity swap contracts

Commodity swap contracts are contractual agreements to exchange cash flows based on changes in commodity prices.

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 market risks. Fair value hedges are used by the Bank 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 are hedged by interest rate swaps.

During the year, the Bank recognised gains on hedging instruments of $88,802,000 (2010: loss of $87,512,000) and losses on hedged items attributable to the hedged risk of $70,188,000 (2010: gain of $101,130,000), which is included in operating income. The Bank also recognised gains of $21,705,000 (2010: $18,690,000) as a result of failed hedges and this is included within operating income as these derivatives are classified as trading derivatives upon failure.

6 Other Assets

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Cheques and other items in transit, net	**91,759**	679,394	**18,011**	296,346
Prepayments and deferred items	**45,147**	49,356	**42,619**	46,163
Due from related parties	**40,553**	25,527	**69,517**	56,678
Withholding tax	**104,475**	31,096	**104,475**	31,096
Other	**155,416**	108,760	**135,916**	69,417
	437,350	894,133	**370,538**	499,700

7 Investment Securities

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Investment in subsidiary	-	-	566,900	482,900
Securities available-for-sale:				
Equity securities – unquoted	**11,264**	11,264	11,264	11,264
Issued or guaranteed by Government –				
Treasury bills	**420,818**	226,748	420,818	226,748
Bonds & debentures	**4,550,990**	2,210,477	4,550,990	2,210,477
	4,983,072	2,448,489	4,983,072	2,448,489
Interest receivable	**79,837**	46,323	79,837	46,323
	5,062,909	2,494,812	5,062,909	2,494,812
Total	**5,062,909**	2,494,812	5,629,809	2,977,712

The movement in investment securities may be summarised as follows:

Securities available-for-sale:

	The Group and The Bank
	$'000
Balance at 31 October 2009	2,267,366
Additions	2,926,971
Transfers	491
Disposals – sale and redemption	(2,769,323)
Gains from changes in fair value	22,984
Balance at 31 October 2010	2,448,489
Additions	5,081,179
Disposals – sale and redemption	(2,635,238)
Gains from changes in fair value	88,162
Gains from changes in foreign exchange rate	480
Balance at 31 October 2011	**4,983,072**

8 Government Securities Under Reverse Repurchase Agreements

The Group and the Bank enter into reverse repurchase agreements collateralised by Government of Jamaica securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations.

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Government securities under reverse repurchase agreements	**422**	225,806	**422**	21,633
Interest receivable	**1**	761	**1**	94
	423	226,567	**423**	21,727

9 Loans and Advances to Customers

	The Group							
	2011				2010			
	Mortgages	Personal Loans	Business & Government	Total	Mortgages	Personal Loans	Business & Government	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Performing loans	**7,835,285**	**4,675,391**	**14,441,699**	**26,952,375**	7,625,182	4,313,611	17,839,597	29,778,390
Impaired loans	**519,757**	**385,389**	**4,284,571**	**5,189,717**	404,759	632,788	1,451,928	2,489,475
Gross loans	**8,355,042**	**5,060,780**	**18,726,270**	**32,142,092**	8,029,941	4,946,399	19,291,525	32,267,865
Less: Provision for credit losses	**(51,301)**	**(278,302)**	**(1,333,716)**	**(1,663,319)**	(54,873)	(429,297)	(516,415)	(1,000,585)
	8,303,741	**4,782,478**	**17,392,554**	**30,478,773**	7,975,068	4,517,102	18,775,110	31,267,280
Add: Interest receivable				**189,935**				328,262
Less: Unearned fee income				**(210,110)**				(249,408)
				30,458,598				31,346,134

	The Bank							
	2011				2010			
	Mortgages $'000	Personal Loans $'000	Business & Government $'000	Total $'000	Mortgages $'000	Personal Loans $'000	Business & Government $'000	Total $'000
Performing loans	**-**	**4,675,391**	**14,441,699**	**19,117,090**	-	4,313,611	17,839,597	22,153,208
Impaired loans	**-**	**385,389**	**4,284,571**	**4,669,960**	-	632,788	1,451,928	2,084,716
Gross loans	**-**	**5,060,780**	**18,726,270**	**23,787,050**	-	4,946,399	19,291,525	24,237,924
Less: Provision for credit losses	**-**	**(278,302)**	**(1,333,716)**	**(1,612,018)**	-	(429,297)	(516,415)	(945,712)
	-	**4,782,478**	**17,392,554**	**22,175,032**	-	4,517,102	18,775,110	23,292,212
Add: Interest receivable				**152,232**				254,110
Less: Unearned fee income				**(176,771)**				(210,050)
				22,150,493				23,336,272

Ageing analysis of past due but not impaired loan is as follows:

	The Group			
As at 31 October 2011	Mortgages $'000	Personal Loans $'000	Business & Government $'000	Total $'000
Less than 30 days	**21,974**	**181,517**	**343,453**	**546,944**
31 – 60 days	**234,869**	**75,069**	**40,356**	**350,294**
61- 90 days	**88,493**	**37,278**	**18,297**	**144,068**
	345,336	**293,864**	**402,106**	**1,041,306**

As at 31 October 2010	Mortgages $'000	Personal Loans $'000	Business & Government $'000	Total $'000
Less than 30 days	2,035,495	387,175	1,160,420	3,583,090
31 – 60 days	253,895	114,240	2,772,955	3,141,090
61- 90 days	235,960	46,580	218,875	501,415
	2,525,350	547,995	4,152,250	7,225,595

	The Bank			
	Mortgages	Personal Loans	Business & Government	Total
As at 31 October 2011	**$'000**	**$'000**	**$'000**	**$'000**
Less than 30 days	**-**	**181,517**	**343,453**	**524,970**
31 – 60 days	**-**	**75,069**	**40,356**	**115,425**
61- 90 days	**-**	**37,278**	**18,297**	**55,575**
	-	**293,864**	**402,106**	**695,970**

	Mortgages	Personal Loans	Business & Government	Total
As at 31 October 2010	**$'000**	**$'000**	**$'000**	**$'000**
Less than 30 days	-	387,175	1,160,420	1,547,595
31 – 60 days	-	114,240	2,772,955	2,887,195
61- 90 days	-	46,580	218,875	265,455
	-	547,995	4,152,250	4,700,245

Provision for credit losses comprise:-

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Specific provision	**1,592,938**	837,890	**1,552,394**	801,174
General provision	**70,381**	162,695	**59,624**	144,538
	1,663,319	1,000,585	**1,612,018**	945,712

As at 31 October 2011, loans with principal balances outstanding of $5,189,717,000 (2010 - $2,489,475,000) for the Group and $4,669,961,000 (2010 - $2,084,716,000) for the Bank were in non-performing status. Interest receivable on these loans amounted to $101,809,000 (2010 - $47,126,000) for the Group and $96,830,000 (2010 - $44,126,000) for the Bank, and interest taken to income amounted to $54,683,000 (2010 - $5,942,000) for the Group and $52,594,000 (2010 - $4,548,000) for the Bank.

The movement in the provision for credit losses during the year is as follows:

	The Group			
	Mortgages	Personal Loans	Business & Government	Total
As at 31 October 2011	**$'000**	**$'000**	**$'000**	**$'000**
Balance, beginning of year	**54,873**	**429,297**	**516,415**	**1,000,585**
Individual impairment	**4,003**	**181,862**	**504,547**	**690,412**
Collective impairment	**(7,400)**	**(70,001)**	**(14,914)**	**(92,315)**
Interest accrued on impaired loans	**-**	**-**	**(10,173)**	**(10,173)**
Recoveries (refer to Note 30)	**-**	**20,694**	**371,892**	**392,586**
Write offs	**(175)**	**(283,550)**	**(34,051)**	**(317,776)**
Balance, end of year	**51,301**	**278,302**	**1,333,716**	**1,663,319**

	Mortgages	Personal Loans	Business & Government	Total
As at 31 October 2010	**$'000**	**$'000**	**$'000**	**$'000**
Balance, beginning of year	107,755	357,747	359,288	824,790
Individual impairment	(58,412)	156,655	230,503	328,746
Collective impairment	5,544	5,485	1,546	12,575
Interest accrued on impaired loans	-	-	(43,761)	(43,761)
Recoveries	-	26,655	-	26,655
Write offs	(14)	(117,245)	(31,161)	(148,420)
Balance, end of year	54,873	429,297	516,415	1,000,585

The movement in the provision for credit losses during the year is as follows:

	The Bank			
		Personal	Business &	
	Mortgages	Loans	Government	2011
As at 31 October 2011	**$'000**	**$'000**	**$'000**	**$'000**
Balance, beginning of year	**-**	**429,297**	**516,415**	**945,712**
Individual impairment	**-**	**181,862**	**504,547**	**686,409**
Collective impairment	**-**	**(70,001)**	**(14,914)**	**(84,915)**
Interest accrued on impaired loans	**-**	**-**	**(10,173)**	**(10,173)**
Recoveries (refer to Note 30)	**-**	**20,694**	**371,892**	**392,586**
Write offs	**-**	**(283,550)**	**(34,051)**	**(317,601)**
Balance, end of year	**-**	**278,302**	**1,333,716**	**1,612,018**

		Personal	Business &	
	Mortgages	Loans	Government	2010
As at 31 October 2010	**$'000**	**$'000**	**$'000**	**$'000**
Balance, beginning of year	-	357,747	359,288	717,035
Individual impairment	-	156,655	230,503	387,158
Collective impairment	-	5,485	1,546	7,031
Interest accrued on impaired loans	-	-	(43,761)	(43,761)
Recoveries	-	26,655	-	26,655
Write offs	-	(117,245)	(31,161)	(148,406)
Balance, end of year	-	429,297	516,415	945,712

The provision for credit losses determined under Bank of Jamaica regulatory requirements is as follows:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Specific provision	**1,883,590**	1,390,466	**1,570,742**	1,136,942
General provision	**255,762**	260,495	**191,168**	221,608
	2,139,352	1,650,961	**1,761,910**	1,358,550
Excess of regulatory provision over IFRS provision reflected in non-distributable loan loss reserve (Note 20)	476,033	650,376	149,892	412,838

Loans and advances to customers include finance lease receivables:

	The Group and The Bank	
	2011	2010
	$'000	$'000
No later than 1 year	**44,993**	37,550
Later than 1 year and no later than 5 years	**58,096**	66,710
Gross investment in finance leases	**103,089**	104,260
Unearned future finance income on finance leases	**(31,469)**	(35,643)
Net investment in finance leases	**71,620**	68,617

10 Property and Equipment

	The Group				
	Land	Buildings	Leasehold Improvements	Equipment, Furniture and Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
			2011		
Cost					
1 November 2010	55,000	131,079	216,132	1,363,537	1,765,748
Additions		3,631	10,650	175,258	189,539
Disposals	-	-	-	(83)	(83)
Transfers		27,415	12,201	(39,616)	-
31 October 2011	55,000	162,125	238,983	1,499,096	1,955,204
Accumulated depreciation					
1 November 2010	-	25,351	103,833	942,573	1,071,757
Charge for the year		4,068	20,099	161,041	185,208
Relieved on disposals				(76)	(76)
31 October 2011	-	29,419	123,932	1,103,538	1,256,889
Net book value					
31 October 2011	55,000	132,706	115,051	395,558	698,315
			2010		
Cost					
1 November 2009	55,000	123,965	142,188	1,269,500	1,590,653
Additions	-	5,017	4,257	191,542	200,816
Disposals	-	-	-	(25,721)	(25,721)
Transfers	-	2,097	69,687	(71,784)	-
31 October 2010	55,000	131,079	216,132	1,363,537	1,765,748
Accumulated depreciation					
1 November 2009	-	22,156	88,772	825,725	936,653
Charge for the year	-	3,195	15,061	121,886	140,142
Relieved on disposals	-	-	-	(5,038)	(5,038)
31 October 2010	-	25,351	103,833	942,573	1,071,757
Net book value					
31 October 2010	55,000	105,728	112,299	420,964	693,991

The Bank					
	Land	Buildings	Leasehold Improvements	Equipment, Furniture and Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
			2011		
Cost					
1 November 2010	**55,000**	**131,079**	**216,087**	**1,357,066**	**1,759,232**
Additions		**3,631**	**10,650**	**175,067**	**189,348**
Disposals				**(83)**	**(83)**
Transfers		**27,415**	**12,201**	**(39,616)**	**-**
31 October 2011	**55,000**	**162,125**	**238,938**	**1,492,434**	**1,948,497**
Accumulated depreciation					
1 November 2010		**25,351**	**103,833**	**938,757**	**1,067,941**
Charge for the year		**4,068**	**20,099**	**160,149**	**184,316**
Relieved on disposals				**(76)**	**(76)**
31 October 2011	**-**	**29,419**	**123,932**	**1,098,830**	**1,252,181**
Net book value					
31 October 2011	**55,000**	**132,706**	**115,006**	**393,604**	**696,316**
			2010		
Cost					
1 November 2009	55,000	123,965	142,143	1,261,601	1,582,709
Additions	-	5,017	4,257	171,365	180,639
Disposals	-	-	-	(4,116)	(4,116)
Transfers		2,097	69,687	(71,784)	-
31 October 2010	55,000	131,079	216,087	1,357,066	1,759,232
Accumulated depreciation					
1 November 2009	-	22,156	88,772	821,340	932,268
Charge for the year	-	3,195	15,061	120,895	139,151
Relieved on disposals	-	-	-	(3,478)	(3,478)
31 October 2010		25,351	103,833	938,757	1,067,941
Net book value					
31 October 2010	55,000	105,728	112,254	418,309	691,291

Included in the table above are amounts totaling $14,430,000 (2010 – $14,430,000) for the Group and the Bank representing the revalued amount of land and buildings which has been used as the deemed cost of these assets under the provision of IFRS 1 on transition to IFRS on 1 November 2002. Subsequent additions and other property and equipment are shown at cost. Equipment, furniture and vehicles include $51,531,000 (2010 - $111,672,000) for the Group and the Bank relating to work-in-progress on which no depreciation has been charged.

11 Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 33 ⅓% for the Bank and 30% for the Subsidiary.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate setting off are as follows:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets	**11,913**	16,075	**-**	-
Deferred tax liabilities	**(146,798)**	(211,478)	**(146,798)**	(211,478)
	(134,885)	(195,403)	**(146,798)**	(211,478)

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

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 November	**195,403**	209,186	**211,478**	216,276
Credit to the statement of income (Note 26)	**(89,903)**	(21,449)	**(94,065)**	(12,464)
Charge to other comprehensive income	**29,385**	7,666	**29,385**	7,666
Balance as at 31 October	**134,885**	195,403	**146,798**	211,478

Deferred income tax assets and liabilities were attributable to the following items:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets				
Accelerated tax depreciation	**12,417**	5,670	**12,417**	5,670
Loan loss provisions	**23,495**	53,626	**20,268**	48,179
Post-retirement medical and insurance benefits	**12,389**	12,422	**12,389**	12,422
Other provisions	**84,545**	111,927	**73,750**	99,280
Tax losses carried forward (see note below)	**157,207**	-	**157,207**	-
	290,053	183,645	**276,031**	165,551
Deferred tax liabilities				
Defined benefit pension scheme	**353,227**	337,168	**351,390**	335,301
Accelerated tax depreciation	**67**	152	**-**	-
Available for sale investments	**71,439**	41,728	**71,439**	41,728
Other provisions	**205**	-	**-**	-
	424,938	379,048	**422,829**	377,029
Net deferred tax liability	**134,885**	195,403	**146,798**	211,478

Deferred income taxes are recognized on tax losses carried forward only to the extent that realization of the related tax benefit is probable. The Group has tax losses, subject to agreement with the Commissioner General of Tax Administration Jamaica, amounting to $471,622,000 available for indefinite carry forward and offset against future taxable income. Deferred tax assets have been recognised in respect of these amounts.

12 Retirement Benefit Asset (Obligation)

Amounts recognised in the statement of financial position:

	The Group		The Bank	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Defined benefit pension scheme	**1,060,293**	1,012,125	**1,054,169**	1,005,903
Other post retirement benefits	**(37,166)**	(37,265)	**(37,166)**	(37,265)

(a) Defined benefit pension scheme

The Group operates a pension scheme covering all permanent employees. The pension benefit is based on the best five consecutive years' earnings in the last ten years, multiplied by the years of credited service. The assets of the plan are held independently of the Group's assets in a separate trustee fund. The scheme is valued by independent actuaries annually using the Projected Unit Credit Method. The latest actuarial valuation for IFRS purposes was carried out as at 31 October 2011.

The amounts recognised in the statement of financial position are determined as follows:

	The Group		The Bank	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Fair value of plan asset	**2,901,219**	2,556,688	**2,883,780**	2,540,926
Present value of funded obligation	**(1,978,414)**	(1,731,954)	**(1,965,758)**	(1,721,276)
Unrecognised actuarial gains	**137,488**	187,391	**136,147**	186,253
Asset in the statement of financial position	**1,060,293**	1,012,125	**1,054,169**	1,005,903

At 31 October 2011, pension plan assets include the Parent's ordinary stock units with a fair value of $39,292,000 (2010 – $38,608,000).

Movements in the asset recognised in the statement of financial position:

	The Group		The Bank	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
At 1 November	**1,012,125**	874,124	**1,005,903**	854,390
Credit for the year (Note 24)	**100,361**	137,947	**100,349**	151,459
Transfer of assets to pay contributions for defined contribution plan	**(52,242)**	-	**(52,131)**	-
Contributions paid	**49**	54	**48**	54
At 31 October	**1,060,293**	1,012,125	**1,054,169**	1,005,903

Changes in the fair value of plan asset are as follows:

	The Group		The Bank	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Fair value of plan asset at start of year	**2,556,688**	2,358,200	**2,540,926**	2,304,950
Asset transferred out of plan	**75,361**	(70,657)	**75,361**	(27,092)
Expected return on plan asset	**334,315**	317,197	**332,238**	310,008
Contributions	**49**	54	**48**	54
Benefits paid during year	**(40,357)**	(17,228)	**(40,357)**	(17,228)
Actuarial loss on plan asset	**(24,837)**	(30,878)	**(24,436)**	(29,766)
Fair value of plan asset at end of year	**2,901,219**	2,556,688	**2,883,780**	2,540,926

Changes in the present value of obligation are as follows:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Present value of obligation at start of year	**1,731,954**	1,355,200	**1,721,276**	1,324,600
Transfers out of plan	**-**	(47,864)	**-**	(18,352)
Interest cost	**205,122**	252,280	**203,794**	246,548
Current service cost	**71,894**	54,969	**71,024**	53,728
Past service cost	**85,330**	-	**85,330**	-
Benefits paid during year	**(40,357)**	(17,228)	**(40,357)**	(17,228)
Actuarial loss on plan obligation	**(75,529)**	134,597	**(75,309)**	131,980
Present value of obligation at end of year	**1,978,414**	1,731,954	**1,965,758**	1,721,276

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

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Current service cost	**71,894**	54,969	**71,024**	53,728
Past service cost	**(42,281)**	20,491	**(42,281)**	5,847
Interest cost	**205,122**	252,280	**203,794**	246,548
Expected return on plan assets	**(334,315)**	(317,197)	**(332,238)**	(310,008)
Amount not recognised – Economic value of surplus	**(781)**	(148,490)	**(648)**	(147,574)
Included in staff costs (Note 24)	**(100,361)**	(137,947)	**(100,349)**	(151,459)
Actual return on plan asset	**309,478**	286,330	**307,802**	280,254

The principal actuarial assumptions used were as follows:

	The Group and The Bank	
	2011	**2010**
	%	**%**
Discount rate	**10.5**	11.0
Expected return on plan assets	**10.8**	13.2
Future salary increases	**8.5**	9.5
Future pension increases	**6.5**	7.5

Plan assets, pension obligations and actuarial gains and losses were allocated to each entity based on the number of permanent employees.

The last actuarial valuation to determine the adequacy of funding done as at 31 October 2009 revealed that the scheme was adequately funded at that date.

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

	2011	**2010**	**2009**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair value of plan assets	**2,901,219**	2,556,688	2,358,200	2,128,070	1,768,020
Present value of obligation	**(1,978,414)**	(1,731,954)	(1,355,200)	(1,080,630)	(797,090)
	922,805	824,734	1,003,000	1,047,440	970,930

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

	The Group and The Bank	
	2011	2010
	%	%
Equity instruments	14	14
Debt instruments	47	54
Property	21	23
Other assets	18	9
	100	100

(b) Post-retirement medical benefits

In addition to pension benefits, the Group offers medical benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The method of accounting and frequency of valuations are similar to those used for the defined benefit pension scheme.

In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long-term increase in health costs of 6% per year (2010 – 5%).

The amounts recognised in the statement of financial position are as follows:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Present value of unfunded obligations	41,551	30,736	41,551	30,736
Unrecognised actuarial (losses)/gains	(4,385)	6,529	(4,385)	6,529
Liability in the statement of financial position	37,166	37,265	37,166	37,265

Movements in the obligation recognised in the statement of financial position:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Obligation at beginning of year	37,265	39,330	37,265	37,270
Charge for the year (Note 24)	(99)	(2,065)	(99)	(5)
Obligation at end of year	37,166	37,265	37,166	37,265

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

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Current service cost	178	91	178	89
Past service cost – vested benefits	326	5,090	326	7,195
Interest cost	3,478	2,759	3,478	2,694
Actuarial gains recognised in year	(4,081)	(10,005)	(4,081)	(9,983)
Total included in staff costs (Note 24)	(99)	(2,065)	(99)	(5)

13 Customer Deposits

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Individuals	**17,556,617**	17,625,624	**15,423,544**	14,931,640
Business and Government	**13,146,690**	12,382,715	**11,515,745**	10,800,654
Banks	**11,835,937**	11,822,660	**11,109,583**	11,175,446
	42,539,244	41,830,999	**38,048,872**	36,907,740
Interest payable	**56,075**	94,458	**40,498**	62,481
	42,595,319	41,925,457	**38,089,370**	36,970,221

14 Other Liabilities

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Accounts payable and accruals	**301,338**	401,266	**210,878**	300,177
Other taxation payable	**20,271**	23,839	**10,790**	10,872
Other	**91,812**	494,076	**620,106**	976,397
	413,421	919,181	**841,774**	1,287,446

15 Share Capital and Reserves

	The Group and The Bank	
	2011	2010
	No. of shares	No of shares
	(000)	(000)
Share Capital		
Authorised -		
Ordinary shares	**300,000**	300,000

	The Group and The Bank	
Issued and fully paid -	2011	2010
	$'000	$'000
265,756,730 ordinary stock units	**1,396,667**	1,396,667

Objectives, policies and procedures

Capital strength provides protection for depositors and creditors, allows the Bank to undertake profitable business opportunities as they arise and helps maintain favourable credit ratings.

The Bank's objective is to employ a strong and efficient capital base. It manages 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.

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

Regulatory requirements

The Bank's regulatory capital requirements are determined in accordance with guidelines issued by the Central Bank of Jamaica. These guidelines evolve from the framework of risk-based capital standards developed by the Basel Committee, Bank of International Settlement.

Capital standards require that banks maintain minimum Tier 1 and Total capital ratios of 4% and 8% respectively. The Central Bank of Jamaica has established that Jamaican deposit-taking financial institutions maintain Tier 1 and Total capital ratios of 5% and 10%, respectively. During the year, the Bank complied in full with these regulatory capital requirements.

Regulatory capital

Regulatory capital consists of Tier 1 and Tier 2 capital, less certain deductions. Tier 1 Capital is comprised of common stock, less goodwill and other deductions. Tier 2 Capital principally comprises hybrid capital instruments.

In 2011, Tier 1 and Total Capital ratios were: 22.90% and 23.57%, respectively (2010 – 22.05% and 22.39%, respectively).

Reserves	**The Group**		**The Bank**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Capital reserves (Note 16)	**12,833**	12,833	**12,833**	12,833
Fair value reserves – available-for-sale investment securities (Note 17)	**123,795**	65,024	**123,795**	65,024
Statutory reserve fund (Note 18)	**2,396,667**	2,246,667	**1,791,667**	1,791,667
Retained earnings reserve (Note 19)	**2,616,163**	2,616,163	**2,480,666**	2,480,666
Loan loss reserve (Note 20)	**476,033**	650,376	**149,892**	412,838
Building Society reserve (Note 21)	**45,522**	45,522	**-**	-
Total reserves at end of the year	**5,671,013**	5,636,585	**4,558,853**	4,763,028

16 Capital Reserves

	The Group		**The Bank**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Comprised:				
Unrealised –				
Surplus on revaluation of premises	**5,493**	5,493	**5,493**	5,493
Realised –				
Profit on sale of property and equipment	**7,340**	7,340	**7,340**	7,340
Balance at end of year	**12,833**	12,833	**12,833**	12,833

17 Fair Value Reserves – Available For Sale Investment Securities

	The Group		**The Bank**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	**65,024**	49,497	**65,024**	49,497
Net fair value gains on available-for-sale investments during the year (Note 29)	**58,771**	15,527	**58,771**	15,527
Balance at end of the year	**123,795**	65,024	**123,795**	65,024

18 Statutory Reserve Fund

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance at beginning of year	**2,246,667**	2,146,667	**1,791,667**	1,791,667
Transfer from retained earnings	**150,000**	100,000	**-**	-
Balance at end of the year	**2,396,667**	2,246,667	**1,791,667**	1,791,667

The fund is maintained in accordance with the Banking Act 1992, for the Bank and The Bank of Jamaica (Building Societies) Regulations 1995, for the Subsidiary. These require that minimum prescribed percentages of net income be transferred to the reserve fund until the amount in the fund is not less than paid up share capital.

19 Retained Earnings Reserve

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance at beginning and end of year	**2,616,163**	2,616,163	**2,480,666**	2,480,666

Section 2 of both the Banking Act 1992 and the Bank of Jamaica (Building Societies) Regulations 1995, permit the transfer of any portion of net profit to a retained earnings reserve. This reserve constitutes a part of the capital base for the purpose of determining the maximum level of deposit liabilities and lending to customers.

Transfers to the retained earnings reserve are made at the discretion of the Board; such transfers must be notified to the Bank of Jamaica.

20 Loan Loss Reserve

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance at beginning of year	**650,376**	602,889	**412,838**	484,260
Transfer (from)/to retained earnings	**(174,343)**	47,487	**(262,946)**	(71,422)
Balance at end of the year	**476,033**	650,376	**149,892**	412,838

This is a non-distributable reserve representing the excess of the provision for loan losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS (Note 9).

21 Building Society Reserve

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance at beginning and end of the year	45,522	45,522	-	-

In accordance with the Income Tax Act, the Subsidiary may transfer amounts from retained earnings to a general reserve on a tax free basis until this reserve equals 5% of prescribed assets.

22 Net Interest Income

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Interest and similar income:				
Cash and balances due from banks	**558,218**	532,498	**596,828**	674,574
Investment securities	**277,884**	317,995	**277,884**	317,995
Loans and advances	**3,168,945**	3,808,636	**2,363,076**	2,952,973
Repurchase agreements and other	**488**	31,969	**488**	3,012
	4,005,535	4,691,098	**3,238,276**	3,948,554
Interest and similar expense:				
Customer deposits	**(642,493)**	(1,158,732)	**(457,310)**	(844,376)
Other	**(62,313)**	(153,480)	**(62,313)**	(153,480)
	(704,806)	(1,312,212)	**(519,623)**	(997,856)
Net interest income	3,300,729	3,378,886	2,718,653	2,950,698

23 Other Operating Income

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Net fees and commissions	**622,039**	573,350	**620,766**	572,469
Foreign exchange transactional net gains	**239,193**	268,725	**234,771**	266,897
Foreign exchange revaluation net losses	**(3,612)**	(50,943)	**(4,296)**	(49,691)
Securities net gains	**106,915**	33,501	**106,915**	33,501
Other operating income	**35,390**	28,492	**9,280**	1,151
	999,925	853,125	**967,436**	824,327

Foreign exchange transactional net gains include gains and losses arising from foreign currency trading activities.

24 Operating Expenses

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Staff costs	**1,425,568**	1,207,019	**1,387,863**	1,165,897
Depreciation	**185,208**	140,142	**184,316**	139,151
Occupancy costs	**415,054**	392,866	**404,102**	350,661
Other operating expenses	**1,464,007**	1,628,711	**1,409,525**	1,613,639
	3,489,837	3,368,738	**3,385,806**	3,269,348

Analysis of staff costs:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Wages and salaries	**1,124,174**	1,073,072	**1,092,589**	1,048,795
Pension costs –				
Defined benefit plan (Note 12)	**(100,361)**	(137,947)	**(100,349)**	(151,459)
Defined contribution plan	**51,445**	48,439	**51,130**	47,299
Other post retirement benefits (Note 12)	**(99)**	(2,065)	**(99)**	(5)
Other share and cash-based benefits	**11,971**	10,853	**11,971**	10,853
Other staff-related costs	**338,438**	214,667	**332,621**	210,414
	1,425,568	1,207,019	**1,387,863**	1,165,897

25 (Loss)/Income Before Taxation

(Loss)/Income before taxation is stated after charging:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Depreciation	**185,208**	140,142	**184,316**	139,151
Directors' emoluments-				
Fees	**3,901**	3,941	**3,139**	3,303
Management remuneration	**26,537**	20,304	**19,014**	13,588
Management fees	**583,298**	800,043	**560,006**	771,439
Auditors' remuneration-				
Current year	**11,816**	11,443	**9,578**	9,358
Prior year	**53**	1,120	**(16)**	955

26 Income Tax (Credit)/Expense

(a) The taxation charge is based on the profit for the year adjusted for taxation purposes and comprises:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Current year income tax	**150,021**	188,935	**-**	57,039
Adjustment to prior year provision	**(4,160)**	(4,198)	**(4,160)**	(4,198)
	145,861	184,737	**(4,160)**	52,841
Deferred tax credit (Note 11)	**(89,903)**	(21,449)	**(94,065)**	(12,464)
	55,958	163,288	**(98,225)**	40,377

Income tax is calculated at the rate of 33 ⅓% for the Bank and at 30% for the Subsidiary.

(b) Tax on the Group's income before tax differs from the theoretical amount that would arise using the statutory tax rate for the Bank as follows:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Income/(loss) before taxation	**212,720**	521,952	**(301,211)**	111,488
Tax calculated at 33 ⅓%	**70,907**	173,984	**(100,404)**	37,163
Effect of :				
Different tax rate applicable to mortgage financing subsidiary	**(17,130)**	(13,682)	**-**	-
Prior year under-provision	**(4,160)**	(4,198)	**(4,160)**	(4,198)
Income not subject to tax	**23**	(822)	**23**	(822)
Other charges and allowances	**6,318**	8,006	**6,316**	8,234
	55,958	163,288	**(98,225)**	40,377

27 Net (Loss)/Income For The Year

	2011	**2010**
	$'000	**$'000**
The net income for the year is dealt with as follows in the financial statements of:		
The Bank	**(202,986)**	71,111
The Subsidiary	**359,748**	287,553
	156,762	358,664

28 Earnings Per Stock Unit

Earnings per ordinary stock unit for the Group is calculated by dividing the net income for the year by the weighted average number of ordinary stock units in issue:

	2011	2010
Net income for the year ($'000)	**156,762**	358,664
Weighted average number of ordinary stock units in issue ('000)	**265,757**	265,757
Earnings per stock unit ($)	**0.59**	1.35

29 Components of Other Comprehensive Income

	The Group and The Bank	
	2011	**2010**
	$'000	**$'000**
Available-for-sale financial assets:		
Gains arising during the year	**175,969**	24,384
Less: Reclassification adjustments for gains included in the statement of income	**(87,813)**	(1,192)
Other comprehensive income for the year	**88,156**	23,192
Less: Deferred tax	**(29,385)**	(7,665)
	58,771	15,527

30 Related Party Transactions

In the ordinary course of business, the Group provides to its connected persons normal banking services on terms similar to those offered to persons not connected to the Group.

(a) Transactions and balances with FirstCaribbean entities and their associates

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
FirstCaribbean International Bank Limited:				
Net payable	**32,907**	349,076	**32,907**	354,501
Management fee expense	**583,298**	800,043	**560,006**	771,439
Other FirstCaribbean entities:				
Interest income	**3,009**	7,013	**53,583**	149,107
Interest expense	**65,216**	93,124	**36,651**	51,536
Net receivable	**40,553**	25,527	**69,007**	56,678
Deposits by other FirstCaribbean entities	**11,857,683**	11,736,234	**11,016,559**	10,941,904
Due from subsidiary - Placements	**-**	-	**2,698,292**	2,729,792
Due to subsidiary - Deposits	**-**	-	**112,651**	141,895
Money market placements	**429,158**	176,862	**429,158**	176,862
Affiliates:				
CIBC:				
Interest income	**562**	67	**562**	67
Interest expense	**45**	34	**45**	34
Customer deposits	**1,518**	4,616	**1,518**	4,616
Cash & money market placements	**342,698**	98,900	**342,698**	98,900
Loans and advances to customers	**95**	95	**95**	95
Derivative financial instruments	**4,420**	-	**4,420**	-
Interest expense derivative	**122**	-	**122**	-

(b) Transactions and balances with directors

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Loans outstanding	**53,469**	64,758	51,661	62,668
Deposits	**54,023**	49,400	52,944	49,400
Interest income	**5,941**	7,443	5,820	7,304
Interest expense	**662**	1,733	661	1,642
Directors' fees	**3,901**	3,941	3,139	3,303
Management remuneration paid (included below)	**26,537**	20,304	19,014	13,588

(c) Key management remuneration paid during the year

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Wages and salaries	**117,276**	113,509	**110,401**	107,322
Statutory contributions	**10,989**	9,423	**10,341**	8,894

The 2011 net payable to the Parent was reduced during the year primarily as a result of a receivable in the amount of $369,000,000 (US$4,320,000) related to potential loan losses not yet realised. This decreased the loan loss impairment recognised during the year. (See also Note 9).

31 Commitments

(a) Future rental commitments under operating leases

At 31 October 2011, the Bank held leases on buildings for extended periods. The future rental commitments under these leases were as follows:

	The Group and The Bank	
	2011	2010
	$'000	$'000
Not later than 1 year	**28,821**	18,693
Later than 1 year and less than 5 years	**2,751**	235,702
	31,572	254,395

(b) Other

The following table indicates the contractual amounts of financial instruments not presented in the statement of financial position that commit the Group and the Bank to extend credit to customers:

	The Group		The Bank	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Guarantees and indemnities	**930,692**	620,778	**930,692**	620,778
Letters of credit	**1,211,142**	1,168,495	**1,211,142**	1,168,495
Loan commitments	**4,283,406**	4,502,157	**3,722,221**	3,740,574
	6,425,240	6,291,430	**5,864,055**	5,529,847

32 Contingencies

The Group, because of the nature of its businesses, is subject to various threatened or filed legal actions. At 31 October 2011 material claims filed amounted to approximately $2,014,467,000 (2010 - $2,024,379,000). The majority of this amount relates to a specific counter claim of approximately $1,994,996,000 (2010 - $1,994,901,000), filed by a former customer against the Bank. Another counter claim was brought against the former customer by the Bank for approximately $405,948,000 (2010 – $403,574,000). Although the amount of the ultimate exposure, if any, cannot be determined at this time, the Directors are of the opinion, based upon the advice of counsel, that the final outcome of threatened or filed suits will not have a material adverse effect on the financial position of the Group.

33 Pledged Assets

Mandatory reserve deposits are held by the Bank of Jamaica in accordance with statutory requirements. These deposits are not available to finance the Group's and the Bank's day to day operations. In addition, assets are pledged as collateral for possible shortfall in the Bank of Jamaica operating account as well as to other third parties under various other agreements. These are as follows:

	The Group			
	Asset		Related Liability	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Statutory reserves at Bank of Jamaica (Note 3)	**3,263,140**	2,989,617	**-**	-
Money market placements	**-**	204,000	**-**	445,392
Investment securities:				
Bonds & debentures	**90,188**	86,161	**-**	-
	3,353,328	3,279,778	**-**	445,392

	The Bank			
	Asset		Related Liability	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Statutory reserves at Bank of Jamaica (Note 3)	**3,215,663**	2,925,534	**-**	-
Money market placements	**-**	204,000	**-**	445,392
Investment securities:				
Bonds & debentures	**90,188**	86,161	**-**	-
	3,305,851	3,215,695	**-**	445,392

34 Business Segments

The Group's operations are organised into two business segments, Retail Banking and Corporate Investment Banking (CIB) which are supported by the functional units within the Administration segment (which includes Finance, HR, Technology and Operations, Treasury, Risk and other).

Retail Banking

This line of business provides a full range of financial products and services to individuals. Clients can access the Bank's services and products through its network of branches, 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 businesses, governments, financial institutions, international trading companies and private wealth vehicles throughout Jamaica. Investment Banking provides debt and equity capital markets and corporate finance products and services to large corporations, financial institutions and governments.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on economic profits, which for the total of all segments is equal to net income before taxes reflected on the consolidated financial statements. Economic profits include funds transfer pricing, management allocations, and other charges for the segments' use of capital.

Income taxes are managed on a group basis and are not allocated to business segments. Transactions between the business segments are on nominal commercial terms and conditions.

Segment assets and liabilities comprise assets and liabilities, being the majority of the statement of financial position , but exclude items such as taxation and intangible assets. Securities and cash placements are normally held within the Treasury unit within the Administration segment .

The Administration segment results include the earnings on excess capital as well as the offset to the capital charges that have been allocated to Retail Banking and CIB.

The Group's operations are located solely in Jamaica.

	Retail Banking $'000	Corporate Investment Banking $'000	Administration $'000	The Group $'000
31 October 2011				
External revenues	2,223,692	1,768,296	1,013,472	5,005,460
Revenues from other segments	1,009,533	(334,422)	(675,111)	-
Total revenues	3,233,225	1,433,874	338,361	5,005,460
Income before taxation	(123,679)	(104,020)	440,419	212,720
Taxation				(55,958)
Income for the year				156,762
Segment assets	13,912,337	16,819,735	20,222,746	50,954,818
Unallocated assets				139,170
Total assets				51,093,988
Segment liabilities	24,138,877	6,940,672	11,970,655	43,050,204
Unallocated liabilities				197,897
Total liabilities				43,248,101
Other segment information				
Interest income	2,446,901	934,323	624,311	4,005,535
Interest expense	476,861	96,204	131,741	704,806
Hedging gains	-	-	18,614	18,614
Capital expenditure	72,780	3,725	113,034	189,539
Depreciation	87,080	1,155	96,973	185,208
Loan impairment losses	85,375	512,722	-	598,097

	Retail Banking $'000	Corporate Investment Banking $'000	Administration $'000	The Group $'000
31 October 2010				
External revenues	2,187,139	2,437,234	919,850	5,544,223
Revenues from other segments	877,028	(508,383)	(368,645)	-
Total revenues	3,064,167	1,928,851	551,205	5,544,223
Income before taxation	(466,919)	448,050	540,821	521,952
Taxation				(163,288)
Income for the year				358,664
Segment assets	13,217,468	18,337,398	19,570,305	51,125,171
Unallocated assets				139,171
Total assets				51,264,342
Segment liabilities	24,114,633	6,497,324	12,715,338	43,327,295
Unallocated liabilities				306,693
Total liabilities				43,633,988
Other segment information				
Interest income	2,014,858	1,262,798	1,413,442	4,691,098
Interest expense	845,965	216,512	249,735	1,312,212
Hedging gains	-	-	13,618	13,618
Capital expenditure	77,484	1,382	121,951	200,817
Depreciation	69,759	791	69,592	140,142
Loan impairment losses	66,921	274,400	-	341,321

35 Financial Risk Management

(a) Strategy in using financial instruments

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 above average interest margins 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. Such exposures involve not just loans and advances which are disclosed on the statement of financial position, but 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 from trading, investment and hedging activities. Credit risk is defined as the risk of financial loss due to a borrower or counter party failing to meet its obligations in accordance with agreed terms.

<u>Process and Control</u>

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, including the measurement, monitoring and control of credit risk.

The CRMD's credit risk approval authority flows from the Board of Directors and are further delegated to the Chairman and the Chief Risk Officer (CRO). The department is guided by the Group's Delegation of Authority Policy. Delegation is based on exposure and risk level; where the credit decision relates to larger and or higher risk transactions the Credit Committee (CC) is responsible for the final decision.

The Risk and Conduct Review Committee (R&CRC) is responsible for approving policy requirements and key risk limits.

<u>Credit Risk Limits</u>

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, and products or portfolios. The Group does not have excessive concentration in any single borrower, or related group of borrowers, or industry sector.

<u>Collateral</u>

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, 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.

Exposures by Industry Groups

The following table provides an industry-wide break down of total exposures by industry groups:

The Group

	2011			2010		
	Loans and Leases $'000	Acceptances, Guarantees and Letters of Credit $'000	Total 2011 $'000	Loans and Leases $'000	Acceptances, Guarantees and Letters of Credit $'000	Total 2010 $'000
Agriculture, fishing and mining	**657,254**	**46,383**	**703,637**	56,343	3,633	59,976
Construction	**360,796**	**-**	**360,796**	481,085	-	481,085
Distribution	**4,096,534**	**820,208**	**4,916,742**	4,855,531	767,832	5,623,363
Electricity, gas and water	**1,477,364**	**661,987**	**2,139,351**	2,071,421	426,000	2,497,421
Financial institutions	**756,917**	**500**	**757,417**	789,787	500	790,287
Government and public entities	**1,948,656**	**53,469**	**2,002,125**	707,078	-	707,078
Manufacturing and production	**621,568**	**329,565**	**951,133**	978,520	6,306	984,826
Personal	**12,715,096**	**1,136,712**	**13,851,808**	12,288,488	2,702,203	14,990,691
Professional and other services	**1,978,577**	**3,368,651**	**5,347,228**	1,634,589	2,371,863	4,006,452
Tourism and entertainment	**5,110,488**	**726**	**5,111,214**	5,607,650	726	5,608,376
Transport, storage and communication	**2,418,842**	**7,039**	**2,425,881**	2,797,373	12,367	2,809,740
Total	**32,142,092**	**6,425,240**	**38,567,332**	32,267,865	6,291,430	38,559,295
Provision for credit losses			**(1,663,319)**			(1,000,585)
			36,904,013			37,558,710

The Bank

	2011			2010		
	Loans and Leases $'000	Acceptances, Guarantees and Letters of Credit $'000	Total 2011 $'000	Loans and Leases $'000	Acceptances, Guarantees and Letters of Credit $'000	Total 2010 $'000
Agriculture, fishing and mining	**657,254**	**46,383**	**703,637**	56,343	3,633	59,976
Construction	**355,936**	**-**	**355,936**	476,311	-	476,311
Distribution	**4,096,534**	**820,208**	**4,916,742**	4,855,531	767,832	5,623,363
Electricity, gas and water	**1,477,364**	**661,987**	**2,139,351**	2,071,421	426,000	2,497,421
Financial institutions	**756,917**	**500**	**757,417**	789,787	500	790,287
Government and public entities	**1,948,656**	**53,469**	**2,002,125**	707,078	-	707,078
Manufacturing and production	**616,899**	**329,565**	**946,464**	973,271	6,306	979,577
Personal	**4,541,621**	**575,527**	**5,117,148**	4,444,300	1,940,620	6,384,920
Professional and other services	**1,806,539**	**3,368,651**	**5,175,190**	1,458,860	2,371,863	3,830,723
Tourism and entertainment	**5,110,488**	**726**	**5,111,214**	5,607,650	726	5,608,376
Transport, storage and communication	**2,418,842**	**7,039**	**2,425,881**	2,797,372	12,367	2,809,739
Total	**23,787,050**	**5,864,055**	**29,651,105**	24,237,924	5,529,847	29,767,771
Provision for credit losses			**(1,612,018)**			(945,712)
			28,039,087			28,822,059

Impaired Financial Assets and Provision for Credit Losses

The Group takes on exposure to credit risk, which is the risk that a counter party 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 counter party, borrower, or groups of borrowers, and to 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 which include exposures not recognised in the statement of financial position. 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 favourable 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. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

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 assets and liabilities presented on the statement of financial position, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable 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 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.

Maximum Exposure to Credit Risk

The maximum exposure to credit risk would be all statement of financial position carrying values of all financial assets plus the contingent liabilities and commitments [these disclosures are shown in note 31(b)] not recognised in the statement of financial position. The gross maximum exposure would be before allowance for credit losses and the effect of mitigation through the use of master netting and collateral arrangements. The maximum exposure to credit risk within the customer loan portfolio would be all the statement of financial position carrying values plus the loan commitments [these disclosures are shown in Note 31(b)] not recognised in the statement of financial position. The gross maximum exposure within the customer loan portfolio would be before provision for credit losses and the effect of mitigation through the use of master netting and collateral arrangements, plus the loan commitments amount not recognised in the statement of financial position.

(c) Geographical concentration of assets, liabilities, off-balance sheet items, revenues and capital expenditure

The Group operates in only the Jamaican geographical market.

(d) Credit rating system and credit quality per class of financial assets

<u>Credit Quality</u>
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.

	Loans and advances to customers	**Investment securities**	
Grade Description	**Days past due**	**Standards & Poor's equivalent**	**Moody's Investor Services**
High grade	0-7	AAA to BBB-	Aaa to Baa3
Standard	8-60	BB+ to B-	Ba to B3
Substandard	61-89	CCC+ to CC	Caa1 to Ca
Impaired	90+	D	C

A credit scoring methodology is used to assess personal customers and a grading model is used for Corporate clients. As well, an ageing analysis of the portfolio assists in the development of a consistent internal-risk rating system. This risk rating system is used for portfolio management, risk limit setting, product pricing, and in the determination of economic capital.

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.

At the reporting date, investments securities were all rated standard or high grade. Cash balances and amounts due from banks are held with counterparties that are standard, high grade or CIBC group entities.

The table below shows the credit quality by class of asset for gross loans and advances to customers, based on our internal credit rating system. Amounts provided are before allowance for credit losses, and after credit risk mitigation, valuation adjustments related to the financial guarantors, and collateral on agreements.

	The Group				
	2011				
	Performing				
Grade description	**High Grade**	**Standard Grade**	**Sub Standard Grade**	**Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Loans and advances to customers:					
Mortgages	**7,500,598**	**246,185**	**88,502**	**519,757**	**8,355,042**
Personal loans	**4,460,162**	**177,605**	**37,624**	**385,389**	**5,060,780**
Business & government loans	**14,054,084**	**363,518**	**24,097**	**4,284,571**	**18,726,270**
Total	**26,014,844**	**787,308**	**150,223**	**5,189,717**	**32,142,092**

	The Group				
	2010				
	Performing				
		Standard	Sub Standard		
Grade description	**High Grade**	**Grade**	**Grade**	**Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Loans and advances to customers:					
Mortgages	7,133,383	636	491,163	404,759	8,029,941
Personal loans	4,103,933	40,101	169,577	632,788	4,946,399
Business & government loans	14,600,959	263,133	2,975,505	1,451,928	19,291,525
Total	25,838,275	303,870	3,636,245	2,489,475	32,267,865

	The Bank				
	2011				
	Performing				
	High	**Standard**	**Sub Standard**		
Grade description	**Grade**	**Grade**	**Grade**	**Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Loans and advances to customers:					
Personal loans	**4,460,162**	**177,605**	**37,624**	**385,389**	**5,060,780**
Business & government loans	**14,054,084**	**363,518**	**24,097**	**4,284,571**	**18,726,270**
Total	**18,514,246**	**541,123**	**61,721**	**4,669,960**	**23,787,050**

	The Bank				
	2010				
	Performing				
		Standard	Sub Standard		
Grade description	**High Grade**	**Grade**	**Grade**	**Impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Loans and advances to customers:					
Personal loans	4,103,933	40,101	169,577	632,788	4,946,399
Business & government loans	14,600,959	263,133	2,975,505	1,451,928	19,291,525
Total	18,704,892	303,234	3,145,082	2,084,716	24,237,924

For our business and government loans, we further employ risk ratings in managing our credit portfolio. Business and government borrowers with elevated default risk are monitiored on our Early Warning List. Early Warning List characteristics include borrowers exhibiting a significant decline in revenue, income, or cash flow or where we have doubts as to the continuing viability of the business. Early Warning List customers are often also delinquent, but this is not always the case. As of 31 October 2011, Early Warning List customers in the medium to high risk category amounted to $3,473,000,000 (2010 - $2,258,000,000).

(e) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables. Market risk arises from positions in securities and derivatives as well as from the core retail, wealth and corporate businesses. The key risks to the Group are foreign exchange, interest rate and, to a far less extent, credit spread. Management of market risk within the Group is centralized at the Parent which mirrors the way that the hard currencies are managed by Treasury Sales and Trading and although the local currency exposures are managed in their respective geographic regions, these exposures are still monitored, measured and controlled centrally from a market risk perspective. The Group classifies market risk exposures into trading and non-trading, for Jamaica, virtually all of the positions fall into the latter with currently just FX being considered trading. Due to the relatively small size of the trading portfolio 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 Bank's entire exposures.

Policies and Standards:

The Parent Group has a comprehensive policy for market risk management related to its identification and to the 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 Parent Group to establish explicit risk tolerances expressed in term of the four main risk measures mentioned below. There is a three-tiered approach to limits at the Parent Group. The highest level are those set at the Board level, and the second level which includes a "haircut" from the Board limits are the Chief Risk Officer limits. The third level of limits is for the Treasury Sales and Trading Group, which limits traders to specific size of deals, documented through a formal delegation letter and these are monitored.

Process & 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) and certain profit & loss measures are all measured daily whereas others such as stress tests and credit spread sensitivity are performed on either a weekly or monthly basis. Detailed market risk compliance reports are produced and circulated to senior management on a daily, weekly and monthly basis and a summary version is reported quarterly to the Parent Group Board. A summary of key risks is also presented to the local Board on a quarterly basis.

Risk Measurement:

The Group has four main measures of market risk:

- 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 bank'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 main two measures utilized by the Group 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 no 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 utilized within the scenario analysis. The sensitivities are calculated using two different approaches a pre-structural basis that focuses upon predominantly contractual date positions and also 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 as well as considering market specific pricing situations that exist in the region.

Value at Risk:

The Group's Value at Risk ("VaR") methodology utilizes the tested and validated CIBC models. It is a statistically and 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 one percent 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 one 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. The fact that VaR is an end of day measure and thus does not take into account intra moves is not a significant issue for the Group as neither the trading nor non-trading portfolios are that active and the FX is controlled via trade and volume size limits. A further weakness of the VaR measure is that it does not estimate the effects of market variable moves outside of the ninety-nine percent parameter and hence may underestimate losses. To counter this, the Group has various stress measures to calculate potential tail event losses.

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 as follows:

- For the hard currency testing, it sends its position sensitivity to CIBC and utilises the suite of measures that the parent company has developed. The stress testing measures the effect on our 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 the parent company's economists, business leaders and risk managers. These tests are run on our behalf on a weekly basis.

- 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 ten years and identify the greatest curve or data point moves over both sixty day and single day periods. These are then applied to the existing positions/sensitivities of the Group. 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 either a revaluation or devaluation of the JMD would have on the earnings of the Bank. This is backed by reviews of historical data and considers the worst case that the Bank would be unable to exit the position rapidly.

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. Since the JMD is not pegged to the USD, the VaR measure can be used. However, due to some of the known inherent weaknesses of the VaR methodology, emphasis is also put upon particularly the overall position limit and the related stress tests. The Parent Board has set limits on Total Positions (Structural plus country) by currency while Credit Risk Officer limits are utilized at the country or trading level 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 large currency exposures of the Group in USD equivalent. It also highlights the measures used to monitor, measure and control that risk.

Foreign exchange exposure and risk

Position Long (Short) 2011 $'000	VaR 2011 $'000	Stressed Loss 2011 $'000	Average Position 2011 $'000	Average VaR 2011 $'000	Position Long (Short) 2010 $'000	VaR 2010 $'000	Stressed Loss 2010 $'000	Average Position 2010 $'000	Average VaR 2010 $'000
8,849	68	3,540	7,390	98	(246)	24	20	(16,800)	281

For most of 2011 the Group was significantly long the JMD against the USD. The strategic move from short to long occurred during the first quarter of 2011. The FX VaR has reduced as the volatility of the JMD/USD exchange rate has decreased markedly in the last two years with it trading generally within an 85/86 JMD to $1USD for fiscal 2011.

The Group utilizes a measure to quantify non-trading foreign exchange risk, also referred to as post-structural foreign exchange risk. This considers the effect of currency changes on the Group's retained earnings and profit derived throughout the year in non-USD currencies. Full details of the structural positions are included in the Parent Group's consolidated financial statements.

The Group will occasionally trade non USD/JMD currencies, but these are quickly hedged. There were no material balances at either 2010 or 2011 fiscal year end.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 October:

Concentrations of assets, liabilities and credit commitments:

	The Group							
	2011							
	EC	BDS	CAY	BAH	US	JA	Other	Total
As at 31 October 2011	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Assets								
Cash resources	30	86	103	-	1,458,459	8,205,146	119,265	9,783,089
Due from banks	1,986	8,216	514	2,506	2,384,439	2,443	1,047,814	3,447,918
Other assets	-	(86)	-	(1,123)	95,333	312,874	30,352	437,350
Investment securities	-	-	-	-	84,276	4,978,633	-	5,062,909
Taxation recoverable	-	-	-	-	-	127,257	-	127,257
Deferred tax assets	-	-	-	-	-	11,913	-	11,913
Retirement benefit assets	-	-	-	-	-	1,060,293	-	1,060,293
Government securities under reverse repurchase agreements	-	-	-	-	-	423	-	423
Loans and advances to customers	-	-	-	-	18,663,654	11,760,553	34,391	30,458,598
Property and equipment	-	-	-	-	-	698,315	-	698,315
Derivative financial instruments	-	-	-	-	5,923	-	-	5,923
Total assets	**2,016**	**8,216**	**617**	**1,383**	**22,692,084**	**27,157,850**	**1,231,822**	**51,093,988**
Liabilities								
Deposits	-	-	-	-	21,795,094	19,579,829	1,220,396	42,595,319
Derivative financial instruments	-	-	-	-	4,298	-	-	4,298
Other liabilities	1,986	8,429	823	1,383	(97,882)	429,652	69,030	413,421
Taxation payable	-	-	-	-	-	51,099	-	51,099
Deferred tax liabilities	-	-	-	-	-	146,798	-	146,798
Retirement benefit obligations	-	-	-	-	-	37,166	-	37,166
Total liabilities	**1,986**	**8,429**	**823**	**1,383**	**21,701,510**	**20,244,544**	**1,289,426**	**43,248,101**
Net assets/(liabilities)	**30**	**(213)**	**(206)**	**-**	**990,574**	**6,913,306**	**(57,604)**	**7,845,887**
Credit commitments	**-**	**-**	**-**	**-**	**4,241,570**	**2,183,585**	**85**	**6,425,240**

Concentrations of assets, liabilities and credit commitments:

	The Group							
	2010							
	EC	BDS	CAY	BAH	US	JA	Other	Total
As at 31 October 2010	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Assets								
Cash resources	269	383	307	-	1,252,440	9,554,792	144,287	10,952,478
Due from banks	419	16,633	819	2,320	2,394,817	632	1,089,291	3,504,931
Other assets	-	-	-	-	416,000	416,709	61,424	894,133
Investment securities	-	-	-	-	83,100	2,411,712	-	2,494,812
Taxation Recoverable	-	-	-	-	-	123,096	-	123,096
Deferred tax assets	-	-	-	-	-	16,075	-	16,075
Retirement benefit assets	-	-	-	-	-	1,012,125	-	1,012,125
Government securities under reverse repurchase agreements	-	-	-	-	-	226,567	-	226,567
Loans and advances to customers	-	-	-	-	18,382,324	12,929,874	33,936	31,346,134
Property and equipment	-	-	-	-	-	693,991	-	693,991
Total assets	688	17,016	1,126	2,320	22,528,681	27,385,573	1,328,938	51,264,342
Liabilities								
Deposits	-	-	-	-	21,472,400	19,278,132	1,174,925	41,925,457
Derivative financial instruments	-	-	-	-	445,392	-	-	445,392
Other liabilities	-	-	-	-	139,134	731,852	48,195	919,181
Taxation payable	-	-	-	-	-	95,215	-	95,215
Deferred tax liabilities	-	-	-	-	-	211,478	-	211,478
Retirement benefit obligations	-	-	-	-	-	37,265	-	37,265
Total liabilities	-	-	-	-	22,056,926	20,353,942	1,223,120	43,633,988
Net assets	688	17,016	1,126	2,320	471,755	7,031,631	105,818	7,630,354
Credit commitments	-	-	-	-	3,806,286	2,485,144	-	6,291,430

Analysis was conducted to determine the sensitivity to reasonable possible movements of selected currencies against the Jamaican dollar to which the Group had significant exposure at 31 October 2011 in respect of its assets and liabilities holding all other variables constant. The results revealed that as of 31 October 2011, if the Jamaican dollar had depreciated by 1% against foreign currencies, profit before tax for the year would have been $8,108,000 higher (2010 $2,160,000 higher) and shareholders equity would have been $8,108,000 higher (2010 - $2,160,000 higher).

(f) 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 our financial position under both normal and stressed market environments.

Process and Control

Actual and anticipated inflows and outflows of funds generated from exposures including those not recognised in the statement of financial position 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 amounts recognised in the statement of financial position. 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 Bank's Board of Directors is ultimately responsible for the Group's liquidity.

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.

The table below analyses assets, liabilities and commitments, guarantees and contingent liabilities of the Group and the Bank into relevant maturity groupings based on the remaining period at statement of financial position date to the contractual maturity date.

	The Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
As at 31 October 2011					
Cash and balances with Central Bank	9,783,089	-	-	-	9,783,089
Due from other banks	3,447,918	-	-	-	3,447,918
Other assets	437,350	-	-	-	437,350
Investment securities	388,982	180,574	3,626,208	867,145	5,062,909
Taxation Recoverable	127,257	-	-	-	127,257
Government securities under reverse repurchase agreements	423	-	-	-	423
Loans and advances to customers	929,771	2,530,810	13,906,982	13,091,035	30,458,598
Property and equipment	-	-	589,411	108,904	698,315
Deferred tax assets	-	-	-	11,913	11,913
Retirement benefit asset	-	-	-	1,060,293	1,060,293
Derivative financial instruments	5,923	-	-	-	5,923
Total assets	15,120,713	2,711,384	18,122,601	15,139,290	51,093,988
Customer deposits	34,856,680	7,351,749	162,589	224,301	42,595,319
Derivative financial instruments	4,298	-	-	-	4,298
Other liabilities	413,421	-	-	-	413,421
Taxation payable	51,099	-	-	-	51,099
Deferred tax liabilities	-	-	-	146,798	146,798
Retirement benefit obligation	-	-	-	37,166	37,166
Total liabilities	35,325,498	7,351,749	162,589	408,265	43,248,101
Net assets /(liabilities)	(20,204,785)	(4,640,365)	17,960,012	14,731,025	7,845,887
Commitments, guarantees and contingent liabilities	4,703,954	879,282	842,004	-	6,425,240

	The Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
As at 31 October 2010					
Cash and balances with Central Bank	10,952,478	-	-	-	10,952,478
Due from other banks	801,135	2,703,796	-	-	3,504,931
Derivative financial instruments	894,133	-	-	-	894,133
Other assets	368,576	138,890	1,567,702	419,644	2,494,812
Investment securities	123,096	-	-	-	123,096
Government securities under reverse repurchase agreements	226,567	-	-	-	226,567
Loans and advances to customers	3,534,852	1,636,138	12,736,723	13,438,421	31,346,134
Property and equipment	-	-	620,505	73,486	693,991
Deferred tax assets	-	-	-	16,075	16,075
Retirement benefit asset	-	-	-	1,012,125	1,012,125
Total assets	16,900,837	4,478,824	14,924,930	14,959,751	51,264,342
Customer deposits	27,662,772	11,695,157	2,114,058	453,470	41,925,457
Derivative financial instruments	445,392	-	-	-	445,392
Other liabilities	919,181	-	-	-	919,181
Taxation payable	95,215	-	-	-	95,215
Deferred tax liabilities	-	-	-	211,478	211,478
Retirement benefit obligation	-	-	-	37,265	37,265
Total liabilities	29,122,560	11,695,157	2,114,058	702,213	43,633,988
Net assets / (liabilities)	(12,221,723)	(7,216,333)	12,810,872	14,257,538	7,630,354
Commitments, guarantees and contingent liabilities	5,076,800	789,525	425,106	-	6,291,431

	The Bank				
	1 to 3 Months	3 to12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
As at 31 October 2011					
Cash and balances with Central Bank	9,475,067	-	-	-	9,475,067
Due from other banks	4,330,105	1,816,106	-	-	6,146,211
Other assets	370,538	-	-	-	370,538
Investment securities	388,982	180,574	3,626,208	1,434,045	5,629,809
Taxation Recoverable	127,257	-	-	-	127,257
Government securities under reverse repurchase agreements	423	-	-	-	423
Loans and advances to customers	697,581	2,492,345	13,652,988	5,307,579	22,150,493
Property and equipment	-	-	587,412	108,904	696,316
Retirement benefit asset	-	-	-	1,054,169	1,054,169
Derivative financial instruments	5,923	-	-	-	5,923
Total assets	15,395,876	4,489,025	17,866,608	7,904,697	45,656,206
Customer deposits	33,119,248	4,586,319	159,502	224,301	38,089,370
Derivative financial instruments	4,298	-	-	-	4,298
Other liabilities	841,774	-	-	-	841,774
Deferred tax liabilities	-	-	-	146,798	146,798
Retirement benefit obligation	-	-	-	37,166	37,166
Total liabilities	33,965,320	4,586,319	159,502	408,265	39,119,406
Net assets /(liabilities)	(18,569,444)	(97,294)	17,707,106	7,496,432	6,536,800
Commitments, guarantees and contingent liabilities	4,142,648	879,345	842,062	-	5,864,055

	The Bank				
	1 to 3 Months	3 to12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
As at 31 October 2010					
Cash and balances with Central Bank	10,742,393	-	-	-	10,742,393
Due from other banks	1,241,715	4,993,008	-	-	6,234,723
Other assets	499,700	-	-	-	499,700
Investment securities	368,576	138,890	1,567,702	902,544	2,977,712
Taxation recoverable	123,096	-	-	-	123,096
Government securities under reverse repurchase agreements	21,727	-	-	-	21,727
Loans and advances to customers	3,355,936	1,618,853	12,575,469	5,786,014	23,336,272
Property and equipment	-	-	617,805	73,486	691,291
Retirement benefit asset	-	-	-	1,005,903	1,005,903
Total assets	16,353,143	6,750,751	14,760,976	7,767,947	45,632,817
Customer deposits	23,969,722	10,436,050	2,110,979	453,470	36,970,221
Derivative financial instruments	445,392	-	-	-	445,392
Other liabilities	1,287,446	-	-	-	1,287,446
Deferred tax liabilities	-	-	-	211,478	211,478
Retirement benefit obligation	-	-	-	37,265	37,265
Total liabilities	25,702,560	10,436,050	2,110,979	702,213	38,951,802
Net assets / (liabilities)	(9,349,417)	(3,685,299)	12,649,997	7,065,734	6,681,015
Commitments, guarantees and contingent liabilities	4,315,217	789,525	425,105	-	5,529,847

(g) Interest rate risk

Interest rate risk arises from the changes in interest rate affecting the future cash flows of the financial instruments in the outsourced investment portfolio. For the Group there is currently no trading 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 inclusive of those not recognised in the statement of financial position.

The following table in USD equivalent highlights the other key interest rate risk measures utilised by the Group:-

	Post-Structural DV01	VaR	60-day Stressed Loss
	$'000	$'000	$'000
2011	**(19)**	**57**	**3,793**
2010	(16)	171	3,366

The Group's sensitivity did not move significantly throughout the year. Generally the contractual sensitivities are marginally long, but the effect of the structural interest rate assumptions, particularly with regard to core deposit balances, generate the relatively small net short position reflected above.

USD Interest Rate Exposure:

As an enhancement of local risk measurement, beginning as at November 30th 2010, the USD interest rate risk exposure is calculated for the Group and reported monthly at both a product and tenor level at the Assets and Liabilities Committee. As at 31 October 2011, the risk sensitivity and related stress results to a 1 basis point drop in the underlying USD yield curve are as follows:

Currency	Post-Structural DV01 2011	Potential Stress Loss	Q3 DV01	Q2 DV01	Q1 DV01
	$'000	$'000	$'000	$'000	$'000
US$	(13,085)	1,795	(10,697)	(9,163)	(20,335)

The main components of this risk on the asset side, are fixed rate loans and mortgages offset by core deposit and transactional accounts and inter-company borrowing on the liability side. The change from Q1 to Q2 was due to a central change in interest rate strategy that was agreed at the Parent Group Board level and was generally achieved within Jamaica by terminating a number of pay fixed interest rate swaps.

Credit Spread Risk:

Credit spread exists as the benchmark curve and the reference asset curves either converge or diverge. The Group has 2 positions that generate an immaterial amount of credit spread risk. The risk is measured using an estimated CSDV01 and stress scenarios and as at year end the worst case 60-day stress loss was estimated to be US$75,000.

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 the transactions meet the accounting criteria then the Group applies hedge accounting. Derivative hedges that do not qualify for hedge accounting treatment are considered to be economic hedges and are recorded at fair value on the statement of financial position with changes in the fair value recognised through profit or 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.

(h) 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 of its operations.

The following tables summarise carrying amounts of statement of financial position, liabilities and equity in order to arrive at the Group's interest rate gap based on earlier of contractual re-pricing or maturity dates.

	The Group						
	Immediately Rate Sensitive(1)	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non Rate Sensitive(2&3)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 October 2011							
Cash and balances with Central Bank	-	7,322,203	-	-	-	2,460,886	9,783,089
Due from other banks	416,206	3,039,878	-	-	-	(8,166)	3,447,918
Derivative financial instruments	-	5,923	-	-	-	-	5,923
Taxation recoverable	-	-	-	-	-	127,257	127,257
Other assets	-	-	-	-	-	437,350	437,350
Investment securities	-	1,348,347	2,181,130	1,442,330	-	91,102	5,062,909
Government securities under reverse repurchase agreements	-	423	-	-	-	-	423
Loans and advances to customers	1,224,518	2,714,213	2,396,667	12,536,237	11,586,963	-	30,458,598
Property and equipment	-	-	-	-	-	698,315	698,315
Deferred tax assets	-	-	-	-	-	11,913	11,913
Retirement benefit asset	-	-	-	-	-	1,060,293	1,060,293
Total assets	1,640,724	14,430,987	4,577,797	13,978,567	11,586,963	4,878,950	51,093,988
Customer deposits	14,728,948	15,634,072	4,136,111	162,589	224,301	7,709,298	42,595,319
Derivative financial instruments		4,298	-	-	-	-	4,298
Other liabilities	-	-	-	-	-	413,421	413,421
Taxation payable	-	-	-	-	-	51,099	51,099
Deferred tax liabilities	-	-	-	-	-	146,798	146,798
Retirement benefit obligation	-	-	-	-	-	37,166	37,166
Total liabilities	14,728,948	15,638,370	4,136,111	162,589	224,301	8,357,782	43,248,101
Total interest rate sensitivity gap	(13,088,224)	(1,207,383)	441,686	13,815,978	11,362,662	(3,478,832)	7,845,887
Cumulative gap	(13,088,224)	(14,295,607)	(13,853,921)	(37,943)	11,324,719	7,845,887	-
As at 31 October 2010							
Total interest rate sensitivity gap	(10,694,865)	12,022,047	(10,514,482)	10,926,776	5,806,394	84,484	7,630,354
Cumulative gap	(10,694,865)	1,327,182	(9,187,300)	1,739,476	7,545,870	7,630,354	-

(1) This represents those financial instruments whose interest rates change concurrently with a change in the underlying interest rate basis, for example base rate loans.

(2) This includes financial instruments such as equity investments.

(3) This includes non-financial instruments.

	The Group						
	Immediately Rate Sensitive[1]	Within 3 Months	3 to12 Months	1 to 5 Years	Over 5 Years	Non Rate Sensitive[2&3]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 October 2010							
Cash and balances with Central Bank	-	8,447,121	-	-	-	2,505,357	10,952,478
Due from other banks	8,535	2,820,816	630,047			45,533	3,504,931
Derivative financial instruments	-	-	-	-	-	123,096	123,096
Investment Securities	-	-	-	-	-	894,133	894,133
Other assets	-	699,486	86,811	1,480,937	169,990	57,588	2,494,812
Government securities under reverse repurchase agreements	-	226,567	-	-	-	-	226,567
Loans and advances to customers	1,089,693	10,945,991	1,633,493	11,535,165	5,839,268	302,524	31,346,134
Property and equipment	-	-	-	-	-	693,991	693,991
Deferred tax assets	-	-	-	-	-	16,075	16,075
Retirement benefit asset	-	-	-	-	-	1,012,125	1,012,125
Total assets	1,098,228	23,139,981	2,350,351	13,016,102	6,009,258	5,650,422	51,264,342
Customer deposits	11,793,093	10,672,542	12,864,833	2,089,326	202,864	4,302,799	41,925,457
Derivative financial instruments	-	445,392	-	-	-	-	445,392
Other liabilities	-	-	-	-	-	919,181	919,181
Taxation payable	-	-	-	-	-	95,215	95,215
Deferred tax liabilities	-	-	-	-	-	211,478	211,478
Retirement benefit obligation	-	-	-	-	-	37,265	37,265
Total liabilities	11,793,093	11,117,934	12,864,833	2,089,326	202,864	5,565,938	43,633,988
Total interest rate sensitivity gap	(10,694,865)	12,022,047	(10,514,482)	10,926,776	5,806,394	84,484	7,630,354
Cumulative gap	(10,694,865)	1,327,182	(9,187,300)	1,739,476	7,545,870	7,630,354	-
As at 31 October 2009							
Total interest rate sensitivity gap	(11,450,213)	5,048,749	(6,913,070)	12,115,706	10,594,818	(2,139,827)	7,256,163
Cumulative gap	(11,450,213)	(6,401,464)	(13,314,534)	(1,198,828)	9,395,990	7,256,163	-

(1) This represents those financial instruments whose interest rates change concurrently with a change in the underlying interest rate basis, for example base rate loans.

(2) This includes financial instruments such as equity investments.

(3) This includes non-financial instruments.

	The Bank						
	Immediately Rate Sensitive[1]	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non Rate Sensitive[2&3]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 October 2011							
Cash and balances with Central Bank	-	7,039,232	-	-	-	2,435,835	9,475,067
Due from other banks	426,175	3,912,095	1,816,107	-	-	(8,166)	6,146,211
Derivative financial instruments	-	5,923	-	-	-	-	5,923
Taxation recoverable	-	-	-	-	-	127,257	127,257
Other assets	-	-	-	-	-	370,538	370,538
Investment securities	-	1,348,347	2,181,130	1,442,330	-	658,002	5,629,809
Government securities under reverse repurchase agreements	-	423	-	-	-	-	423
Loans and advances to customers	1,186,815	2,606,712	2,350,727	12,338,896	3,667,343	-	22,150,493
Property and equipment	-	-	-	-	-	696,316	696,316
Retirement benefit asset	-	-	-	-	-	1,054,169	1,054,169
Total assets	1,612,990	14,912,732	6,347,964	13,781,226	3,667,343	5,333,951	45,656,206
Customer deposits	13,819,221	13,018,549	3,158,499	159,502	224,301	7,709,298	38,089,370
Other liabilities	-	-	-	-	-	841,774	841,774
Derivative financial instruments	-	4,298	-	-	-	-	4,298
Deferred tax liabilities	-	-	-	-	-	146,798	146,798
Retirement benefit obligation	-	-	-	-	-	37,166	37,166
Total liabilities	13,819,221	13,022,847	3,158,499	159,502	224,301	8,735,036	39,119,406
Total interest rate sensitivity gap	(12,206,231)	1,889,885	3,189,465	13,621,724	3,443,042	(3,401,085)	6,536,800
Cumulative gap	(12,206,231)	(10,316,346)	(7,126,881)	6,494,843	9,937,885	6,536,800	-
As at 31 October 2010							
Total interest rate sensitivity gap	(10,679,290)	1,561,022	(4,687,406)	12,125,599	10,594,818	(2,320,366)	6,594,377
Cumulative gap	(10,676,290)	(9,118,268)	(13,805,674)	(1,680,075)	8,914,743	6,594,377	-

(1) This represents those financial instruments whose interest rates change concurrently with a change in the underlying interest rate basis, for example base rate loans.

(2) This includes financial instruments such as equity investments.

(3) This includes non-financial instruments.

	The Bank						
	Immediately Rate Sensitive[1]	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non Rate Sensitive[2&3]	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 October 2010							
Cash and balances with Central Bank	-	8,408,324	-	-	-	2,334,069	10,742,393
Due from other banks	8,535	4,012,873	2,167,782			45,533	6,234,723
Derivative financial instruments	-	-	-	-	-	123,096	123,096
Other assets	-	-	-	-	-	499,700	499,700
Investment securities	-	699,486	86,811	1,480,937	169,991	540,487	2,977,712
Government securities under reverse repurchase agreements	-	21,727	-	-	-	-	21,727
Loans and advances to customers	1,089,692	2,936,130	1,633,493	11,535,165	5,839,268	302,524	23,336,272
Property and equipment	-	-	-	-	-	691,291	691,291
Retirement benefit asset	-	-	-	-	-	1,005,903	1,005,903
Total assets	1,098,227	16,078,540	3,888,086	13,016,102	6,009,259	5,542,603	45,632,817
Customer deposits	10,751,592	6,687,041	10,067,991	2,086,247	202,864	7,174,486	36,970,221
Other liabilities	-	-	-	-	-	1,287,446	1,287,446
Derivative financial instruments	-	445,392	-	-	-	-	445,392
Deferred tax liabilities	-	-	-	-	-	211,478	211,478
Retirement benefit obligation	-	-	-	-	-	37,265	37,265
Total liabilities	10,751,592	7,132,433	10,067,991	2,086,247	202,864	8,710,675	38,951,802
Total interest rate sensitivity gap	(9,653,365)	8,946,107	(6,179,905)	10,929,855	5,806,395	(3,168,072)	6,681,015
Cumulative gap	(9,653,365)	(707,258)	(6,887,163)	4,042,692	9,849,087	6,681,015	-
As at 31 October 2009							
Total interest rate sensitivity gap	(10,679,290)	1,561,022	(4,687,406)	12,125,599	10,594,818	(2,320,366)	6,594,377
Cumulative gap	(10,676,290)	(9,118,268)	(13,805,674)	(1,680,075)	8,914,743	6,594,377	-

(1) This represents those financial instruments whose interest rates change concurrently with a change in the underlying interest rate basis, for example base rate loans.

(2) This includes financial instruments such as equity investments.

(3) This includes non-financial instruments.

Average effective yields by the earlier of the contractual re-pricing or maturity dates:

	The Group					
	2011					
	Immediately Rate Sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	%	%	%	%	%	%
Cash and balances with Central Bank	**-**	**5.03**	**-**	**-**	**-**	**5.03**
Due from other banks		**1.16**	**1.15**	**-**	**-**	**1.16**
Investment securities[1]	**-**	**-**	**-**	**-**	**-**	**-**
Government securities under reverse repurchase agreements	**-**	**-**	**-**	**-**	**-**	**-**
Loans to customers[2]	**39.71**	**10.46**	**7.81**	**11.42**	**8.84**	**11.48**
Customer deposits[3]	**0.55**	**1.69**	**1.77**	**8.7**	**6.44**	**1.14**

	The Group					
	2010					
	Immediately Rate Sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	%	%	%	%	%	%
Cash and balances with Central Bank	-	8.00	-	-	-	8.00
Due from other banks	0.35	0.65	1.20	-	-	0.92
Investment securities[1]	-	8.13	11.75	10.01	10.56	10.01
Government securities under reverse repurchase agreements	-	8.00	-	-	-	8.00
Loans to customers[2]	31.26	15.21	11.46	11.02	10.80	11.39
Customer deposits[3]	1.08	3.03	4.65	9.71	8.76	1.94

(1) Yields are based on book values and contractual interest rates adjusted for amortisation of premiums and discounts.

(2) Yields are based on book values, net of allowance for credit losses and contractual interest rates.

(3) Yields are based on contractual interest rates.

Average effective yields by the earlier of the contractual re-pricing or maturity dates:

	The Bank					
	2011					
	Immediately Rate Sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	%	%	%	%	%	%
Cash and balances with Central Bank	-	5.08	-	-	-	5.08
Due from other banks	-	0.86	0.87	-	-	0.87
Investment securities(1)	-	7.45	7.29	11.85	-	8.71
Government securities under reverse repurchase agreements	-	6.25	-	-	-	6.25
Loans to customers(2)	40.97	13.66	7.81	11.33	8.83	12.21
Customer deposits(3)	0.44	1.07	1.31	8.63	6.44	0.80

	The Bank					
	2010					
	Immediately Rate Sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	%	%	%	%	%	%
Cash and balances with Central Bank	-	8.00	-	-	-	8.00
Due from other banks	0.35	0.65	1.20	-	-	0.92
Investment securities(1)	-	8.13	11.75	10.01	10.56	10.11
Government securities under reverse repurchase agreements	-	8.00	-	-	-	8.00
Loans to customers(2)	31.26	15.69	11.42	10.99	10.60	11.52
Customer deposits(3)	0.77	2.92	4.34	9.60	8.76	1.54

(i) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at reporting dates. The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates.

Determination of fair value and the fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

October 31, 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Investment securities:				
Government debt securities	-	5,051,645	-	5,051,645
Derivative financial instruments:				
Interest rate swaps	-	5,923	-	5,923
	-	5,057,568		
Total financial assets	-	5,057,568	-	5,057,568
Financial liabilities				
Derivative financial instruments				
Commodity derivative	-	4,298	-	4,298
Total financial liabilities	-	4,298	-	4,298

October 31, 2010	Level $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Investment securities				
Government debt securities	-	2,483,548	-	2,483,548
Total financial assets	-	2,483,548	-	2,483,548
Financial liabilities				
Derivative financial instruments				
Interest rate swaps	-	455,392	-	455,392
Total financial liabilities	-	455,392	-	455,392

Financial instruments recorded at fair value

The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments:

Derivative financial instruments

Derivative products valued using a valuation technique with market observable inputs are interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Available-for-sale investment securities

Available-for-sale investment securities valued using a valuation technique or pricing models primarily consist of debt securities.

These assets are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions about liquidity and price disclosure, counterparty credit spreads and sector specific risks.

Fair value of financial instruments not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

i. Due from other banks

Loans and advances to banks include inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. Their carrying values approximate their fair values.

ii. Loans and advances to customers

The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. The balances are net of specific and other provisions for impairment and their net carrying amounts approximate their fair values.

iii. Customer deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

iv. 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.

The following tables set out the fair values of the financial instruments of the Group and the Bank not shown on the statement of financial position at fair value:

	The Group			
	Carrying value	Fair value	Carrying value	Fair value
	2011	**2011**	2010	2010
	$'000	**$'000**	$'000	$'000
Loans and advances to customers	**30,458,598**	**30,192,211**	31,346,134	31,108,721
Customer deposits	**42,595,319**	**42,758,272**	41,925,457	41,888,057
Government securities under reverse repurchase agreements	**423**	**423**	226,567	226,567

	The Bank			
	Carrying value	Fair value	Carrying value	Fair value
	2011	**2011**	2010	2010
	$'000	**$'000**	$'000	$'000
Loans and advances to customers	**22,150,493**	**21,917,119**	23,336,272	23,102,321
Customer deposits	**38,089,370**	**38,246,471**	36,970,221	37,014,583
Government securities under reverse repurchase agreements	**423**	**423**	21,727	21,727

36 Critical Accounting Judgements and Estimates in Applying Accounting Policies

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:

(a) Impairment losses on loans and advances

The Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of income. 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 for impairment losses.

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.

(b) 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.

(c) Property and equipment

Management exercises judgement in determining whether costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense.

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.

(d) Income taxes

The Group is subject to taxation 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.

(e) Impairment of available-for-sale investments

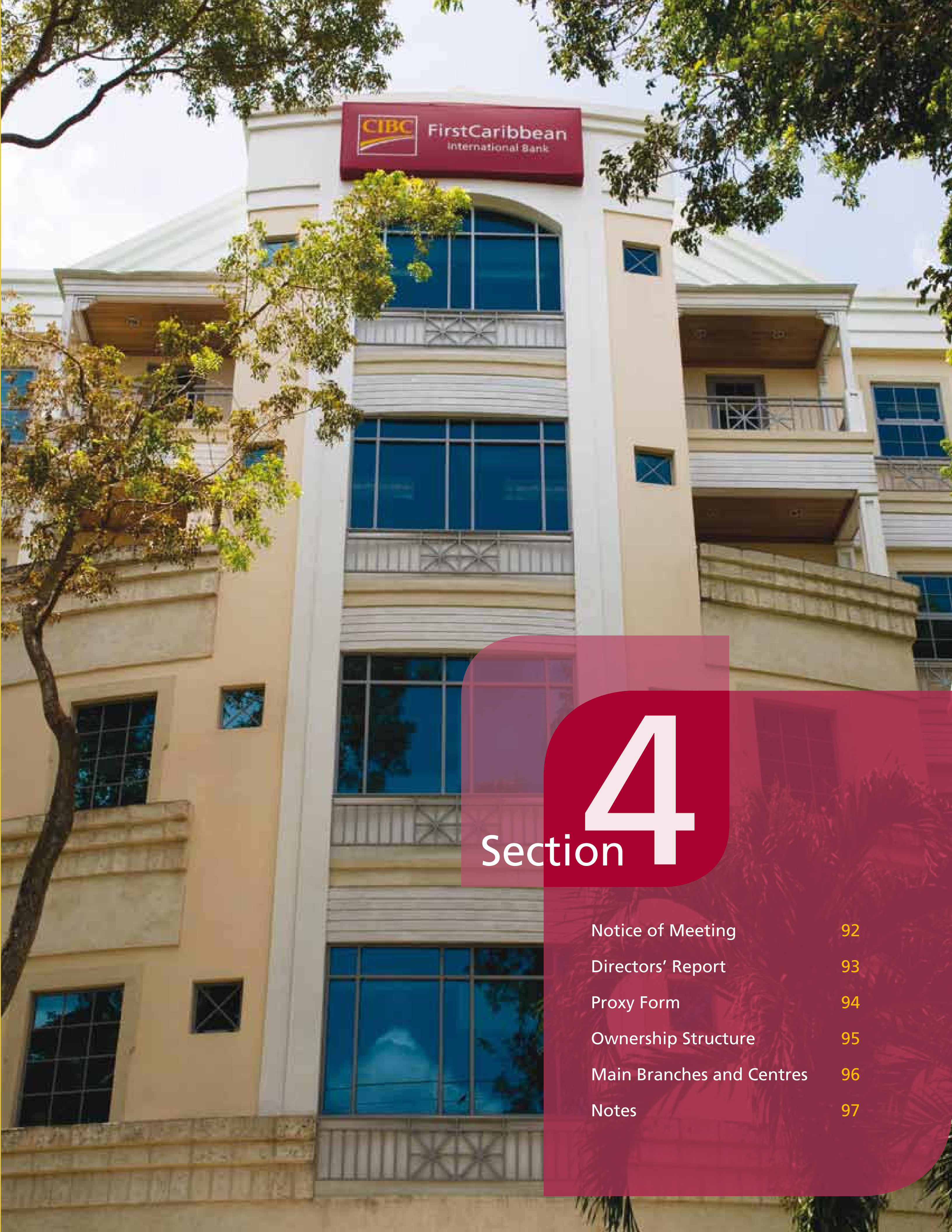
Management makes judgements at each reporting date to determine whether available-for-sale investments are impaired. These investments are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

37 Subsequent Event

Delisting of the Ordinary Shares:

The Jamaica Stock Exchange (JSE) requires a proportion of not less than 20% of the Bank's shares to be publicly held in order to maintain a listing on the Exchange. The Board of the Bank has determined that, given the size of the market, it will not be feasible for the proportion of non-majority held shares to be raised to the minimum required by the JSE rules in the foreseeable future. As a consequence, the Board of the Bank has decided to accept the delisting of its ordinary shares by the JSE. The Bank has been advised that the Board of the Jamaica Stock Exchange has exercised its discretion under Rule 411A of the JSE Rules, and determined that the ordinary shares of the Bank shall be delisted from the Exchange with effect from the close of business on Friday, 30 December 2011.

In order to enable minority holders of the ordinary shares to dispose of their shares before the delisting if they wish to do so, the Bank intends, in accordance with section 58 of the Companies Act and Rule 413 of the JSE Rules, to buy back ordinary shares for cancellation at the fixed price of $13.25 each from minority holders who wish to sell their shares to the Bank up to 27 December 2011. Conditional on the decision to delist and based on the approval of the Board of the JSE under rule 412A of the JSE rules, the Bank will issue to its parent bank, FirstCaribbean International Bank Limited, for cash ordinary shares equivalent in value to the shares purchased by the Bank from the minority shareholders. The purpose of the issue of ordinary shares to the Parent Bank for cash would be to avoid any diminution in the Bank's stated capital value as a result of the Bank's purchases of shares from the minority shareholders.



Section 4

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of FirstCaribbean International Bank (Jamaica) Limited will be held at the registered office of the Bank at 23 - 27 Knutsford Boulevard, Kingston 5 on Tuesday, March 27 2012, at 9:00 a.m. for the following purposes:-

1. To receive the audited accounts and the Report of the Auditors and the Directors for the year ended October 31, 2011 and to consider, if thought fit, the following resolution:

Resolution 1 – 2011 Directors and Auditors Report and Accounts

THAT the report of the Directors and the Auditors and the audited accounts for the year ended October 31, 2011 be received.

2. To re-elect Directors who will retire by rotation and being eligible for re-election and to re-elect Directors who have been appointed since the last Annual General Meeting. The Directors, namely Messrs. Lincoln Eatmon and Jean Lowrie Chin being eligible, have offered themselves for re-election. To consider and, if thought fit, the passing of the following resolutions:

Resolution 3 –Re-election of Directors

(a) **THAT** Lincoln Eatmon, a Director retiring by rotation, be re-elected a Director of the Company
(b) **THAT** Jean Lowrie Chin, a Director retiring by rotation, be re-elected a Director of the Company

3. To re-appoint the retiring Auditors and to authorize the Directors to determine their remuneration and to consider, and if thought fit, to pass the following resolution:

Resolution 4 – Re-appointment of Auditors

THAT Ernst & Young, Chartered Accountants, having agreed to continue in office as Auditors of the Company, be and are hereby appointed to hold such office until the next Annual General Meeting of the Company and that their remuneration be fixed by the Directors.

4. To consider, and if thought fit, pass the following resolution:

Resolution 4 – Directors Remuneration

THAT remuneration of the Directors be determined or that the Directors be authorized to determine their remuneration.

5. Any Other Business

To transact any other business that may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Allison Rattray
Secretary

Dated March 1, 2012

A shareholder is entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a shareholder of the Company.

At the back of this report is a Proxy Form for your convenience which must be lodged at the Company's' registered office at least 48 hours before the time appointed for the holding of the meeting. The Proxy Form should bear the stamp duty of $100 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

Directors' Report

The Directors submit herewith the Group Statement of Revenue, Expenses and Retained Earnings of the Bank and its subsidiary for the year ended October 31, 2011 together with the Group Balance Sheet and Balance Sheet of the Bank and its subsidiary as at that date.

The Group Statement of Revenue and Expenses shows profit for the year of $213 million from which there was $56 million for taxation, leaving a balance of $157 million.

On March 28, 2010, Mr. Peter McConnell retired from the Board of Directors and Mr. Milton Brady resigned from the Board of Directors on June 21, 2011. In accordance with the Articles of Association of the Company, the Directors who will retire by rotation at the Annual General Meeting are Mr. Lincoln Eatmon, and Mrs. Jean Lowrie Chin and have offered themselves for re-election.

The Auditors, Ernst & Young, have signified their willingness to continue in office and offer themselves for re-appointment until the conclusion of the next Annual General Meeting.

TEN LARGEST SHAREHOLDERS AS AT OCTOBER 31, 2011

RANKING	NAMES	HOLDINGS	% HOLDING
1	FirstCaribbean International Bank	255,897,212	96.2900
2	Ideal Group Corporation Limited	1,136,746	0.4277
3	FCIB(Barbados) Limited A/C C1191	714,082	0.2687
4	Ideal Portfolio Services	528,273	0.1988
5	Albert Gordon	385,179	0.1449
6	Fortress Mutual Fund Limited/FCIB # C1191	332,779	0.1252
7	Ferdinand Limited	184,272	0.0693
8	Neil Bradley McLaren	166,662	0.0627
9	NCB Insurance Company Ltd A/C WT 092	154,998	0.0583
10	JMMB Short Term Equity Portfolio	133,558	0.0503

SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGEMENT AND CONNECTED PERSONS AS AT OCTOBER 31, 2011

Anthony Bell	NIL	Jennifer Carty-Peart	NIL
Robert Wright	NIL	Lancelot Leslie	NIL
Michael Mansoor	NIL	Owen Francis	NIL
Clovis Metcalfe	NIL	Nigel Holness	NIL
Lincoln Eatmon	NIL	Jean Lowrie-Chin	NIL

BY ORDER OF THE BOARD

Allison Rattray
Secretary

Proxy Form

To: FIRSTCARIBBEAN INTERNATIONAL BANK (JAMAICA) LIMITED

I/We ____

Of ____

Being a member of the above-named company, hereby appoint ____________________

____________________ of ____________________

Or failing him/her ____________________ of ____________________

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 27th day of March, 2012, and at any adjournment thereof.

Dated this ____________________ day of ____________________ 2012.

Name of shareholder(s) of the Company

Signature(s) ____

Name(s) of signatory(ies) in block capitals ____________________

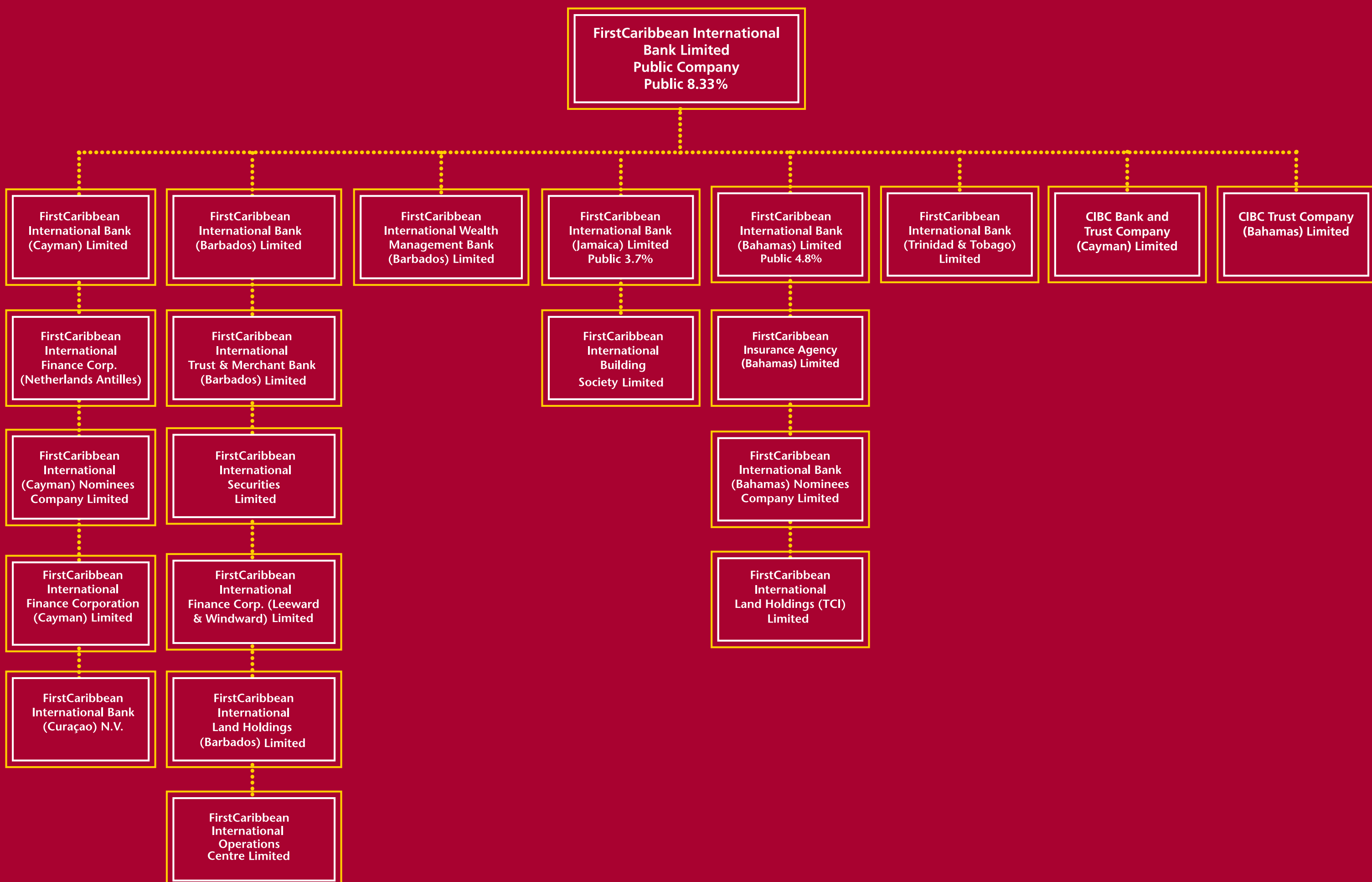
Please indicate with an **"X"** in the spaces below how you wish your proxy to vote on the Resolutions referred to. If no indication is given the proxy will exercise his or her discretion as to how he or she votes or whether he or she abstains from voting.

		FOR	AGAINST
Resolution 1 –	Directors and Auditors Report and Accounts		
Resolution 2 –	Re-election of Directors		
	a. Lincoln Eatmon		
	b. Jean Lowrie Chin		
Resolution 3 –	Re-appointment of Auditors		
Resolution 4 –	Directors' Remuneration		

Notes:

1. A member is entitled to appoint a proxy of his/her choice.
2. In the case of joint holders, the signature of any holder is sufficient, but the names 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 authorized on its behalf.
4. To be valid, this form must be completed and deposited with the Secretary, FirstCaribbean International Bank (Jamaica) Limited, 23-27 Knutsford Boulevard, Kingston 5, at least 48 hours before the time appointed for holding the Meeting or adjourned Meeting.
5. An adhesive stamp of One Hundred Dollars (J$100.00) must be affixed to the form and cancelled by the Appointer at the time of the signing.

Ownership Structure



CIBC FirstCaribbean International Bank

Main Branches and Centres

Half Way Tree
P.O. Box 219
78 Half Way Tree Road
Kingston 10
Tel: (876) 936-6000
Fax: (876) 929-1413

King Street
P.O. Box 43
1 king Street
Kingston
Tel: (876) 612-5000
Fax: (876) 922-5330

Liguanea
129 ½ Old Hope Road
Kingston 6
Tel: (876) 977-4239
Fax: (876) 977-1574

Mandeville
P.O. Box 57
Main Street
Mandeville
Tel : (876) 962-1480
Fax : (876) 962-9348

Manor Park
P.O. Box 841
Manor Park Plaza
Constant Spring
Kingston 8
Tel: (876) 969-2708
Fax: (876) 969-6280

May Pen
50 Main Street
May Pen
Tel: (876) 986-2578
Fax: (876) 986-4940

Montego Bay
59 St. James Street
Montego Bay
Tel: (876) 952-3702
Fax: (876) 952-4815

New Kingston
P.O. Box 403
23-27 Knutsford Boulevard
Kingston 5
Tel: (876) 929-9310
Fax: (876) 968-1969

Ocho Rios
P.O. Box 111
Ocean Village Shopping Centre
Ocho Rios
Tel: (876) 974-8225
Fax: (876) 974-5515

Port Antonio
4 West Street
Port Antonio
Tel: (876) 993-3184
Fax: (876) 993-2221

Portmore
Corner Old Port Henderson Road
and Braeton Parkway
Greater Portmore
P.O. 287, Bridgeport P.O.
St. Catherine
Tel: (876) 656-8800
Fax: (876) 740-3058

Savanna-la-Mar
33-35 Beckford Street
Savanna-la-Mar
Westmoreland
Tel : (876) 918-2054
Fax : (876) 955-4742

Twin Gates
P.O. Box 380
Twin Gates Shopping Centre
Kingston 10
Tel: (876) 926-1313-4
Fax: (876) 926-3056

FINANCIAL CENTRES

Corporate Banking Centre
23-27 Knutsford Boulevard
Kingston 5
Tel: (876) 929-9310
Fax: (876) 929-7751

Wealth Management Centre
23-27 Knutsford Boulevard
Kingston 5
Tel: (876) 935-4531

FirstCaribbean International Building Society
P.O. Box 403
23-27 Knutsford Boulevard
Kingston 5
Tel: (876) 935-4714
Fax: (876) 929-9247

FirstCaribbean International Securities Limited
P.O. Box 162
23-27 Knutsford Boulevard
Kingston 5
Tel: (876) 935-4606
Fax: (876) 926-1025

Card Services
218 Marcus Garvey Drive
Kingston 11
Tel: (876) 764-9802
Fax: (876) 901-7216

Notes

Notes


FirstCaribbean
International Bank
THE BAHAMAS
TURKS AND
CAICOS ISLANDS
THE CAYMAN ISLANDS
JAMAICA
BELIZE
BRITISH
VIRGIN ISLANDS
ANGUILLA
ST. MAARTEN
ST. KITTS & NEVIS
ANTIGUA
& BARBUDA
DOMINICA
ST. LUCIA
BARBADOS
ST. VINCENT AND
THE GRENADINES
GRENADA
& CARRIACOU
CURAÇAO
TRINIDAD
& TOBAGO
CARIBBEAN SEA

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

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