

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the Quarter ended July 31, 2003 (expressed in Barbados dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

Chairman's Review For the Quarter ended July 31, 2003

The difficult market conditions and the slackening of loan demand have resulted in a decline in the credit portfolio. Despite this, your Bank remains on target to meet its key financial and integration plan targets for 2003. The accompanying financial statements and comments are stated in Barbados dollars.

One of the consequences of the reverse accounting treatment for the combination is that the 2002 comparative financials, as presented, are those of Barclays Caribbean operations alone. We have augmented the financial presentation with a prior year comparison to the combined pro forma financial results of both Barclays Caribbean operations and CIBC WIHL. It is this comparison to which the following comments relate.

Excluding goodwill amortisation (a non-cash item) of \$23.8 million and integration-related costs of \$31.4 million, Net Income as of July is \$152.1 million. This compares to a 2002 pro forma figure of \$175.2 million which included a non-recurring gain of \$16.8 million related to the sale of ex-CIBC's holdings in Life of Barbados (LOB). Excluding the LOB item, Net Income has declined by \$3.1 million or 2%.

Net interest income has declined by \$31.7 million or 8% versus the prior year, with much of the decline attributable to reduced interest rate spreads brought about by a decline in US interest rates, and a reduction in loan balances which is largely a function of significantly reduced credit demand. The decline in tax provisions is partially due to a \$5.6 million write-back from a prior year over-accrual.

Non-interest expenses have shown no increase from the prior year, principally due to expense synergies realised on combination and ongoing cost control.

We are successfully implementing the integration programme across the region, which includes re-branding and implementation of a standard technology platform over a two-year period. The programme has been thoroughly researched and planned and is currently on schedule, and we expect to establish the common technology platform in several key markets before the end of 2003. We remain confident that the synergies forecast will be achieved, and we will keep shareholders apprised of our progress.

Michael K. Mansoor
Chairman

PRO FORMA INCOME STATEMENTS (BBDS'000)

	Period Ended July 31, 2003	Period Ended July 31, 2002
Net interest income	377,613	409,323
Non-interest income	171,202	172,371
Total income	548,815	581,694
Non-interest expenses	343,336	343,037
Integration costs	31,420	-
Provision for credit losses	37,509	38,247
	412,265	381,284
Operating profit	136,550	200,410
Goodwill amortisation	23,784	-
Taxation	9,908	19,768
	102,858	180,642
Minority interest	5,963	5,454
Net income	96,895	175,188
Net income before goodwill and integration costs	152,099	175,188
Total loans	7,018,063	7,547,040
Total deposits	14,408,173	16,363,532
Total assets	16,963,879	17,769,582
Average number of common shares outstanding (000's)	1,542,191	1,497,734
Earnings per share	\$ 0.063	\$ 0.117
Earnings per share (before goodwill & integration costs)	\$ 0.099	\$ 0.117

Note:

The pro forma results for 2003 represent actual 9 months results of FirstCaribbean International Bank Limited to July 31, 2003 and actual 9 months results for CIBC West Indies (Excluding Cayman Wealth) and normalised 9 months results for Barclays Caribbean Operations to July 31, 2002.

CONSOLIDATED BALANCE SHEET (BBDS'000)

	Unaudited Period ended July 31, 2002	Unaudited Period ended July 31, 2003	Audited* Period ended Oct 31, 2002
Assets			
Cash, balances with Central Banks and other banks	6,222,658	6,953,204	6,745,740
Trading securities	-	396,154	432,081
Loans and advances	3,950,042	7,018,063	7,453,146
Investment securities	427,300	1,469,698	1,882,171
Property and equipment	106,622	228,925	239,848
Other assets	139,526	286,618	270,885
Goodwill	-	611,217	635,001
	10,846,148	16,963,879	17,658,872
Liabilities			
Total deposits	10,400,110	14,408,173	15,140,879
Other liabilities	188,698	382,452	495,378
	10,588,808	14,790,625	15,636,257
Minority interest	-	32,284	33,889
Equity			
Share/assigned capital & reserves	34,376	1,861,440	1,767,426
Retained earnings & Head Office account	222,964	279,530	221,300
	257,340	2,140,970	1,988,726
	10,846,148	16,963,879	17,658,872

Audited * - extracted from the Group's audited financial statements for the period to October 31, 2002

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (BBDS'000)

	Share/Assigned Capital	Reserves	Due to Head Office	Retained Earnings	Total Equity
Balance at October 31, 2001	17,034	17,342	68,218	81,993	184,587
Net income for the period			60,017	16,251	76,268
Dividends				(5,378)	(5,378)
Transfers to head office			(12,989)		(12,989)
Dividends waived				14,852	14,852
Balance at July 31, 2002	17,034	17,342	115,246	107,718	257,340
Balance at October 31, 2002	2,549,524	(782,098)	-	221,300	1,988,726
Net income for the period				96,895	96,895
Dividends				(38,665)	(38,665)
Proceeds from rights issue	88,922				88,922
Issue of shares in exchange for shares in Jamaica subsidiary	8,104				8,104
Foreign currency translation		(11,966)			(11,966)
Available-for-sale investments securities - net fair value gains, net of tax		8,954			8,954
Balance at July 31, 2003	2,646,550	(785,110)	-	279,530	2,140,970

Audited * - extracted from the Group's audited financial statements for the period to October 31, 2002

CONSOLIDATED STATEMENT OF INCOME (BBDS'000)

	Unaudited Quarter ended July 31, 2002	Unaudited Quarter ended July 31, 2003	Unaudited Period ended July 31, 2002	Unaudited Period ended July 31, 2003	Audited* Period ended October 31, 2002
Total interest income	113,522	200,791	360,834	589,459	394,779
Total interest expenses	(46,888)	(79,475)	(148,334)	(211,846)	(150,785)
Net interest income	66,634	121,316	212,500	377,613	243,994
Non-interest income	31,158	59,266	88,194	171,202	104,973
	97,792	180,582	300,694	548,815	348,967
Non-interest expenses	55,232	115,045	182,594	343,336	249,696
Integration costs	-	11,568	-	31,420	51,739
Provision for credit losses	1,564	11,582	26,670	37,509	33,841
	56,796	138,195	209,264	412,265	335,276
Operating profit	40,996	42,387	91,430	136,550	13,691
Goodwill amortisation	-	7,927	-	23,784	1,982
Taxation	6,621	407	15,162	9,908	507
	34,375	34,053	76,268	102,858	11,202
Minority interest	-	3,819	-	5,963	540
Net Income	34,375	30,234	76,268	96,895	10,662
Average number of common shares outstanding (000's)		1,542,191		1,542,191	744,065
Net income per common share in cents					
- basic	n/a	2.0	n/a	6.3	1.4
- diluted	n/a	1.8	n/a	5.7	1.2
- cash earnings*	n/a	3.2	n/a	9.9	8.7

* Cash earnings represent earnings before goodwill amortisation and integration costs

Audited * - extracted from the Group's audited financial statements for the period to October 31, 2002

CONSOLIDATED STATEMENT OF CASH FLOWS (BBDS'000)

	Unaudited Quarter ended July 31, 2002	Unaudited Quarter ended July 31, 2003	Audited* Period ended October 31, 2002
Net cash (used in)/from operating activities	(520,111)	253,826	(832,183)
Net cash (used in)/from financing activities	(3,516)	50,257	(5,554)
Net cash (used in)/from investing activities	188,856	468,277	(152,252)
Effects of exchange rate changes on cash and cash equivalents	-	(27,439)	-
Net decrease in cash and cash equivalents for the period	(334,771)	744,921	(989,989)
Cash balances acquired as a result of business combination	-	-	1,579,851
Cash and cash equivalents, beginning of period	6,388,394	4,669,697	4,079,835
Cash and cash equivalents, end of period	6,053,623	5,414,618	4,669,697

Audited * - extracted from the Group's audited financial statements for the period to October 31, 2002

DIRECTOR

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