

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the year ended October 31, 2003 (expressed in Barbados dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

Chairman's Review

For the year ended October 31, 2003

Despite difficult market conditions, your Bank has met or exceeded nearly all of its key financial and integration plan targets for 2003.

One of the consequences of the reverse accounting treatment of last year's combination is that the 2002 comparative financials, as presented, do not provide an accurate picture for year-over-year comparison of performance. We have therefore 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 \$31.7 million and integration-related costs of \$37.8 million, net income for the year was \$211.7 million. This compares to a 2002 pro forma figure of \$223.2 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 this item, net income has increased by \$5.3 million or 3%.

Net interest income has declined by \$26.2 million or 5% versus the prior year, a result attributable to a fall in US interest rates and a 4% decline in loan balances.

Non-interest expenses have been reduced by \$5.3 million this year, an excellent result driven by the aggressive realisation of synergies and ongoing cost control.

The rigorous credit management practices of the Bank continue, with the required provision for credit losses declining by \$5.6 million from the prior year despite adverse credit conditions.

We are successfully implementing the integration program across the region, which includes re-branding and the implementation of a standard technology platform. The program has been thoroughly researched and planned and is currently on schedule. Several markets, including Barbados, have already been converted to a common platform, and we expect to complete the regionwide conversion by mid-2004. Results to date support our confidence that the synergies target for the combination will be achieved ahead of schedule.

The Directors have recommended a final dividend of 2.5 cents per share, bringing the total dividend payout for 2003 to 5.0 cents per share. The dividend will be paid on January 16, 2004 to shareholders of record as of close of business on December 30, 2003.

We believe that the successful completion of the integration of the Bank and the full realisation of synergies will positively affect the performance of the Bank in 2004. We also expect that market conditions will improve in some of our markets thereby promoting growth in loan aggregates and profitability.

Michael K. Mansoor
Chairman

Pro forma Income Statements (BBD'000)

	Year Ended 31 Oct 03	Pro forma 12 months Fiscal 2002
Net interest income	510,435	536,594
Non-interest income	229,187	219,298
Total income	739,622	755,892
Non-interest expenses	454,704	459,952
Integration/restructuring costs	37,759	-
Provision for credit losses	39,915	45,479
	532,378	505,431
Operating profit	207,244	250,461
Goodwill amortisation	31,712	-
Taxation	25,631	19,154
	149,901	231,307
Minority interest	7,701	8,122
Net income	142,200	223,185
Net income before goodwill and integration costs	211,671	223,185
Total loans	7,120,516	7,453,146
Total deposits	14,512,189	15,140,879
Total assets	17,120,620	17,023,871
Average number of common shares outstanding (000's)	1,544,097	1,497,734
Earnings per share	\$ 0.092	\$ 0.149
Earnings per share (before goodwill & restructuring)	\$ 0.137	\$ 0.149

Note:

Results for 2003 represent actual 12 months results of FirstCaribbean International Bank Limited to October 31, 2003. Pro forma results for 2002 represent actual 12 months results for CIBC West Indies (excluding Cayman Wealth) to October 31, 2002 and actual 12 month results for Barclays Caribbean Operations to December 31, 2002 (excluding merger related transaction costs).

CONSOLIDATED BALANCE SHEET (BBD'000)

	Audited October 31, 2003	Audited October 31, 2002
Assets		
Cash, balances with Central Banks and other banks	6,969,185	6,745,740
Trading securities	339,492	432,081
Loans and advances	7,120,516	7,453,146
Investment securities	1,548,259	1,882,171
Property and equipment	274,395	239,848
Other assets	266,227	270,885
Goodwill	602,546	635,001
	17,120,620	17,658,872
Liabilities		
Total deposits	14,512,189	15,140,879
Other liabilities	351,447	495,378
	14,863,636	15,636,257
Minority interest	34,070	33,889
Equity		
Share/assigned capital & reserves	1,898,079	1,767,426
Retained earnings	324,835	221,300
	2,222,914	1,988,726
	17,120,620	17,658,872

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

	Share/Assigned Capital	Reserves	Due to Head Office	Retained Earnings	Total Equity
Balance at December 31, 2001	17,034	20,694	127,148	75,892	240,768
Shares of CIBC West Indies issued and outstanding, beginning of period	316,380				316,380
Issuance of common shares	1,808,603				1,808,603
Issuance of non-voting Class A shares	51,839				51,839
Issuance of preference shares	360,000				360,000
Remittance to head office			(5,554)		(5,554)
Transfers (to)/from head office			22,233	(5,954)	16,279
Cancellation of opening share/assigned capital	(17,034)		11,186		(5,848)
Transfer to retained earnings			(155,013)	155,013	-
General banking reserve from entities acquired		40,846			40,846
Statutory reserve from entities acquired		53,547			53,547
Reverse acquisition reserve		(927,255)			(927,255)
Net income for the period				10,662	10,662
Available-for-sale investment securities - net fair value gains		28,459			28,459
Share gift to employees	12,702			(12,702)	-
Transfer to reserves		1,611		(1,611)	-
Balance at October 31, 2002	2,549,524	(782,098)	-	221,300	1,988,726
Net income for the year				142,200	142,200
Dividends on ordinary shares				(38,665)	(38,665)
Proceeds from rights issue	88,922				88,922
Issue of shares in exchange for shares in Jamaica subsidiary	8,091				8,091
Foreign currency translation		(11,912)			(11,912)
Available-for-sale investment securities - net fair value gains		45,552			45,552
Balance at October 31, 2003	2,646,537	(748,458)	-	324,835	2,222,914

CONSOLIDATED STATEMENT OF INCOME (BBD'000)

	Audited Year ended October 31, 2003	Audited 10 month period ended October 31, 2002
Total interest income	770,871	394,779
Total interest expenses	(260,436)	(150,785)
Net interest income	510,435	243,994
Non-interest income	229,187	104,973
	739,622	348,967
Non-interest expenses	454,704	249,696
Integration/restructuring costs	37,759	51,739
Provision for credit losses	39,915	33,841
	532,378	335,276
Operating profit	207,244	13,691
Goodwill amortisation	31,712	1,982
Taxation	25,631	507
	149,901	11,202
Minority interest	7,701	540
Net income	142,200	10,662
Average number of common shares outstanding (000's)	1,544,097	744,065
Net income per common share in cents		
- basic	9.2	1.4
- diluted	8.3	1.2
- cash earnings*	13.7	8.7

* Cash earnings represent earnings before goodwill amortisation and integration charges

CONSOLIDATED STATEMENT OF CASH FLOWS (BBD'000)

	Audited Year ended October 31, 2003	Audited 10 month period ended October 31, 2002
Net cash used in operating activities	(1,150,294)	(832,183)
Net cash used in financing activities	(93,526)	(5,554)
Net cash from/(used in) investing activities	415,483	(152,252)
Effects of exchange rate changes on cash and cash equivalents	(14,150)	-
Net decrease in cash and cash equivalents for the period	(842,487)	(989,989)
Cash balances acquired as a result of business combination	-	1,579,851
Cash and cash equivalents, beginning of period	4,669,697	4,079,835
Cash and cash equivalents, end of period	3,827,210	4,669,697

DIRECTOR

DIRECTOR

FirstCaribbean International Bank is an Associated Company of Barclays Bank PLC and CIBC.

The above information is also available on our website at www.firstcaribbeanbank.com