

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the year ended October 31, 2005
(expressed in thousands of United States dollars)

AUDITORS' REPORT

To the Shareholders of
FirstCaribbean International Bank Limited

We have audited the accompanying consolidated balance sheet of **FirstCaribbean International Bank Limited** ("the Company") as of October 31, 2005 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
December 16, 2005

CONSOLIDATED BALANCE SHEET

As of October 31, 2005
(expressed in thousands of United States dollars)

	2005 \$	2004 \$
Assets		
Cash and balances with central banks	409,696	330,867
Loans and advances to banks	2,490,343	2,673,327
Derivative financial instruments	11,290	—
Trading securities	668,899	276,519
Other assets	188,813	69,943
Taxation recoverable	12,198	6,663
Investment securities	646,594	827,476
Loans and advances to customers	4,630,998	3,958,080
Property, plant and equipment	148,956	153,441
Deferred tax assets	7,004	6,029
Retirement benefit assets	47,607	45,100
Intangible assets	305,535	301,275
Total assets	9,567,933	8,648,720
Liabilities		
Derivative financial instruments	4,350	3,702
Customer deposits	7,729,395	7,359,646
Other borrowed funds	42,348	—
Other liabilities	421,487	30,120
Taxation payable	8,649	5,665
Deferred tax liabilities	4,094	2,901
Debt securities in issue	199,532	—
Retirement benefit obligations	24,077	21,150
Total liabilities	8,433,932	7,423,184
Minority interest	21,334	18,433
Shareholders' equity		
Share capital and reserves	736,601	1,011,724
Retained earnings	376,066	195,379
	1,112,667	1,207,103
Total shareholders' equity and liabilities	9,567,933	8,648,720

Approved by the Board of Directors on December 16, 2005

Michael Mansoor

Michael Mansoor
Chairman

John Riviere

John Riviere
Chief Financial Officer

Charles Pink

Charles Pink
Chief Executive Officer

Board of Directors: Michael Mansoor - Chairman, Charles Pink, Ronald Lalonde, Richard Venn, John Eaton, Renier Lemmens, Jacobo Gonzalez-Robatto, Teresa Butler, Sir Allan Fields, Sir Fred Gollop, Kyffin Simpson, David Ritch.

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



FIRSTCARIBBEAN
INTERNATIONAL BANK

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended October 31, 2005
(expressed in thousands of United States dollars)

	Share capital \$	Reserves \$	Retained earnings \$	Total \$
Balance at October 31, 2003	1,323,269	(374,229)	162,418	1,111,458
Net income for the year	—	—	88,542	88,542
Dividends	—	—	(41,188)	(41,188)
Repurchase of non-voting Class A shares	(25,920)	—	—	(25,920)
Transfer to reserves	—	14,393	(14,393)	—
Foreign currency translation differences	—	(974)	—	(974)
Net change in available-for-sale investment securities	—	78,887	—	78,887
Net change in cash flow hedges	—	(3,702)	—	(3,702)
Balance at October 31, 2004	1,297,349	(285,625)	195,379	1,207,103
Net income for the year	—	—	257,935	257,935
Dividends	—	—	(56,003)	(56,003)
Redemption of preference shares	(180,000)	—	—	(180,000)
Transfer to reserves	—	21,245	(21,245)	—
Foreign currency translation differences	—	(2,066)	—	(2,066)
Net change in available-for-sale investment securities	—	(113,654)	—	(113,654)
Net change in cash flow hedges	—	(648)	—	(648)
Balance at October 31, 2005	1,117,349	(380,748)	376,066	1,112,667

CONSOLIDATED STATEMENT OF INCOME

For the year ended October 31, 2005
(expressed in thousands of United States dollars)

	2005 \$	2004 \$
Interest income	479,415	400,167
Interest expense	168,664	126,816
Net interest income	310,751	273,351
Operating income	235,817	112,039
	546,568	385,390
Operating expenses	262,172	261,706
Loan loss expenses	7,308	14,889
	269,480	276,595
Income before taxation and minority interest	277,088	108,795
Taxation	13,973	16,926
Income before minority interest	263,115	91,869
Minority interest	5,180	3,327
Net income for the year	257,935	88,542
Earnings per share in cents		
— basic	16.9	5.8
— diluted	16.9	5.2

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended October 31, 2005
(expressed in thousands of United States dollars)

	2005 \$	2004 \$
Cash flows from operating activities		
Income before taxation and minority interest	277,088	108,795
Provision for credit losses	7,308	14,889
Depreciation	18,325	15,048
Net gains on sale of property, plant and equipment	(7,161)	(3,491)
Net gains on sale and redemption of investment securities	(118,636)	(720)
Interest income earned on investment securities	(61,827)	(46,213)
Interest expense incurred on borrowed funds and debt securities	10,996	—
Dividend income	(3)	—
Cash flows from operating profits before changes in operating assets and liabilities	126,090	88,308
Changes in operating assets and liabilities:		
— net decrease in loans and advances to banks	561,427	116,171
— net increase in trading securities	(392,380)	(103,549)
— net increase in loans and advances to customers	(660,974)	(388,517)
— net increase in other assets	(132,380)	(4,633)
— net increase in customer deposits	355,580	81,542
— net increase/(decrease) in other liabilities	399,488	(124,950)
Corporate taxes paid	(16,525)	(8,254)
Net cash from/(used in) operating activities	240,326	(343,882)
Cash flows from investing activities		
Purchases of property, plant and equipment	(31,979)	(40,107)
Proceeds from sale of property, plant and equipment	25,464	12,307
Decrease in investment securities, net of purchases	228,471	42,649
Interest income received on investment securities	61,770	37,133
Dividend income	3	—
Acquisition of subsidiary, net of cash acquired	(4,977)	—
Net cash from investing activities	278,752	51,982
Cash flows from financing activities		
Proceeds from borrowed funds and debt securities, net of repayments	193,689	—
Interest paid on borrowed funds and debt securities	(7,639)	—
Dividends paid	(54,790)	(43,117)
Repayments on related party loans	(11,000)	(11,000)
Repurchase of non-voting Class A shares	—	(25,920)
Redemption of preference shares	(180,000)	—
Net cash used in financing activities	(59,740)	(80,037)
Net increase/(decrease) in cash and cash equivalents for the year	459,338	(371,937)
Cash and cash equivalents acquired as a result of an acquisition	4,701	—
Effect of exchange rate changes on cash and cash equivalents	(2,066)	(974)
Cash and cash equivalents, beginning of year	1,540,694	1,913,605
Cash and cash equivalents, end of year	2,002,667	1,540,694