FirstCaribbean International Bank (Jamaica) Limited

Consolidated Financial Statements

For the Quarter ended January 31, 2006 (expressed in thousands of Jamaican dollars)

FIRSTCARIBBEAN INTERNATIONAL BANK

CHAIRMAN'S REVIEW
For the three months ended January 31, 2006

FirstCaribbean International Bank Jamaica reported consolidated net income after taxation of $149.4 million for the quarter ended January 31, 2006 compared to $41 million for the similar period in the prior year. The increase of $108.4 million or 264.2% was driven by the growth in our core businesses.

Total revenue was $630.8 million reflecting an increase of $151.2 million or 31.5% over the comparable period in the previous year and was mainly attributable to the growth in our loan portfolio. Non-interest income increased year over year by $38.3 million or 31.2% primarily as a result of our efforts to boost fee income. Non-interest expenses for the first quarter ended January 31, 2006 amounted to $394.4 million, a decrease of $28.6 million or 6.8%. The decrease was due to adjustments in the current period for over-accruals in the prior year as well as the successful implementation of cost containment measures.

Annualised return on stockholders' equity was 19.1% for the quarter compared to 6.3% for the preceding year; earnings per share were 77 cents compared to 21 cents for the three months ended January 31, 2005.

Total assets stood at $24.1 billion as at January 31, 2006 compared to $20.4 billion as at January 31, 2005. The loan portfolio continues to experience above-market growth rates with a twelve-month loan growth of $6.5 billion or 70.2%. Non-performing loans amounted to $272.8 million or 1.7% of total loans compared to $223.1 million (2.3% of total loans) as at January 31, 2005, indicating further improvement in the quality of our loan portfolio. Customers' deposits grew by $3.3 billion or 10% to $20.5 billion over the same period.

Following the US$20 million (J$1.3 billion) capital injection by the majority shareholder on February 15, 2006, FirstCaribbean Jamaica is in a good position to further implement its growth strategies. The first quarter results demonstrate that we are making significant progress in achieving our objectives. We thank our customers, employees and other stakeholders for their continued support.

Recent Event

The Board of Directors of FirstCaribbean International Bank (our parent bank) was informed that CIBC and Barclays had signed a non-binding Letter of Intent ("LOI") under which CIBC would acquire Barclays' 43.7% interest in FirstCaribbean at an anticipated share price of US$1.62 with a total transaction value of approximately US$1.08 billion. This LOI is subject to a number of conditions including the performance of due diligence and the negotiation and execution of definitive documentation. The transaction would also be conditional upon regulatory approvals.

Michael K. Mansoor
Chairman

CONSOLIDATED BALANCE SHEET
As at January 31, 2006

	Unaudited January 31, 2006	Unaudited January 31, 2005	Audited October 31, 2005
Assets			
Cash resources	**5,359,654**	7,118,772	6,591,062
Investment securities	**1,618,948**	2,288,109	1,503,634
Government securities purchased under resale agreement	**165,937**	609,684	135,357
Loans, less provision for impairment	**15,661,555**	9,195,113	13,863,062
Net investment in leases	**7,858**	11,592	9,239
Other assets	**248,549**	265,674	429,673
Deferred Tax Assets	**930**	—	816
Retirement benefit assets	**638,457**	493,600	618,410
Property, plant and equipment	**370,303**	426,339	378,436
Total Assets	**24,072,191**	20,408,883	23,529,689
Liabilities			
Customers' deposits	**20,488,598**	17,222,842	19,863,646
Other liabilities	**8,993**	308,689	308,129
Taxation payable	**76,056**	55,135	17,147
Deferred tax liabilities	**175,303**	128,792	171,874
Retirement benefit obligations	**140,317**	104,224	135,400
Total Liabilities	**20,889,267**	17,819,682	20,496,196
Stockholders' Equity			
Share capital and reserves	**2,193,724**	1,784,488	2,193,724
Retained earnings	**989,200**	804,713	839,769
	3,182,924	2,589,201	3,033,493
	24,072,191	20,408,883	23,529,689

Michael K. Mansoor
Chairman

Milton Brady
Managing Director

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares ('000)	Share Capital J$'000	Capital Reserve J$'000	Statutory Reserve Fund J$'000	Retained Earnings Reserve J$'000	Building Society's Reserve J$'000	Loan Loss Reserve J$'000	Fair Value Reserve J$'000	Total Share Capital & Reserves J$'000	Retained Earnings J$'000	Total Equity J$'000
Balance at November 1, 2004	193,333	96,667	19,458	156,667	1,406,163	45,522	60,011	—	1,784,488	763,678	2,548,166
Net income	—	—	—	—		—	—	—	—	41,035	41,035
Transfer to retained earnings reserve	—	—	—	—	—	—	—	—	—	—	—
Transfer to loan loss reserve	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—		—	—	—	—	—	—
Balance at January 31, 2005	193,333	96,667	19,458	156,667	1,406,163	45,522	60,011	—	1,784,488	804,713	2,589,201
Balance at November 1, 2005	193,333	96,667	12,833	156,667	1,776,163	45,522	103,322	2,550	2,193,724	839,769	3,033,493
Net income	—	—	—	—	—	—	—		—	149,431	149,431
Transfer of realised gain on sale of subsidiary	—	—	—	—	—	—	—	—	—	—	—
Transfer to retained earnings reserve	—	—	—	—	—	—	—	—	—	—	—
Transfer to loan loss reserve	—	—	—	—	—	—	—	—	—	—	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Balance at January 31, 2006	193,333	96,667	12,833	156,667	1,776,163	45,522	103,322	2,550	2,193,724	989,200	3,182,924

CONSOLIDATED STATEMENT OF INCOME
Three Months Ended January 31, 2006

	Unaudited Three months ended January 31, 2006	Unaudited Three months ended January 31, 2005	Audited Year ended October 31, 2005
Interest income	**691,643**	562,032	2,381,655
Interest expenses	**(221,926)**	(205,169)	(818,989)
Net interest income	**469,717**	356,863	1,562,666
Non-interest income	**161,060**	122,737	539,162
Gain on sale of subsidiary	—	—	135,445
Total Revenue	**630,777**	479,600	2,237,273
Non-interest expenses	**394,415**	422,985	1,542,480
Provision for credit losses	**15,811**	4,676	67,788
	410,226	427,661	1,610,268
Income before taxation	**220,551**	51,939	627,005
Taxation	**(71,120)**	(10,904)	(144,228)
Net Income	**149,431**	41,035	482,777
Average number of common shares outstanding (000's)	**193,333**	193,333	193,333
Net income per common share in cents	**77.3**	21.2	249.7

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months ended January 31, 2006	Unaudited Three months ended January 31, 2005	Audited Year ended October 31, 2005
Net cash used in operating activities	**(1,170,478)**	(225,070)	(1,596,670)
Net cash (used in)/provided by investing activities	**(145,506)**	(22,455)	1,035,219
Net decrease in cash and cash equivalents	**(1,315,984)**	(247,525)	(561,451)
Effect of exchange rate changes on cash and cash equivalents	**47,235**	(121)	123,997
Cash and cash equivalents, beginning of period	**5,046,573**	5,484,027	5,484,027
Cash and cash equivalents, end of period	**3,777,825**	5,236,381	5,046,573

FirstCaribbean International Bank (Jamaica) Limited

Consolidated Financial Statements (continued)

For the Quarter ended January 31, 2006 (expressed in thousands of Jamaican dollars)

SEGMENT FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF INCOME

For the three months ended

January 31, 2006

	Continuing Segment Financial Services	Discontinued Segment Investment Management Services	Consol Elimin.	Group
Net Revenues	630,777	—	—	630,777
Operating Expenses	(410,226)	—	—	(410,226)
Profit before taxation	220,551	—	—	220,551
Income Tax				(71,120)
Net Profit				149,431
Segment Assets	25,676,055	—	(1,603,864)	24,072,191
Segment Liabilities	22,458,131	—	(1,568,864)	20,889,267
Other segment items:				
Capital expenditure	16,825	—	—	16,825
Depreciation	22,649	—	—	22,649

January 31, 2005

	Continuing Segment Financial Services	Discontinued Segment Investment Management Services	Consol Elimin.	Group
Net Revenues	452,706	26,894	—	479,600
Operating Expenses	(406,583)	(21,078)	—	(427,661)
Profit before taxation	46,123	5,816	—	51,939
Income Tax				(10,904)
Net Profit				41,035
Segment Assets	20,557,107	410,096	(558,320)	20,408,883
Segment Liabilities	18,018,877	322,381	(521,576)	17,819,682
Other segment items:				
Capital expenditure	20,769	24	—	20,793
Depreciation	21,178	357	—	21,535

NOTES

1. Basis of preparation
These financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held for trading and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from these estimates.

2. Consolidation
The consolidated financial statements include the financial statements of the Bank and its subsidiaries. All significant inter-company transactions have been eliminated. The Bank and its subsidiaries are referred to as the "Group".

3. Interest income and expense
Interest income and expense are recognised in the statement of revenue and expenses for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. 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. However, such amounts under IFRS are considered to be immaterial.

4. Fee and commission income
Fees and commission income are recognised on the accrual basis. Loan origination fees, for loans which are probable of being drawn down, are deferred together with related direct cost and recognised as an adjustment to the effective yield on the loan.

Fees and commission arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Asset management fees related to investment funds are recognised ratably over the period the service is provided.

5. Foreign currencies
Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies during the year are converted at the rates of exchange ruling on the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the statement of revenue and expenses.

6. Investments
The Group classifies its investment securities into the following two categories: held-to-maturity and originated debts. Management determines the appropriate classification of investments at the time of purchase.

Government or other securities, which are purchased directly from the issuer, are classified as originated debts. These include bonds and treasury bills. They are initially recorded at cost, which is the cash given to originate the debt, and are subsequently measured at amortised cost.

Investments purchased on the secondary market which are intended to be held to maturity, are classified as such. These investments are initially recorded at cost, and are subsequently measured at amortised cost.

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

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

Loans are recognised when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan, 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.

8. Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable 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.

9. Fiduciary activities
Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from these financial statements where the Bank or its subsidiaries act in a fiduciary capacity such as nominee, trustee or agent.

10. Deferred income taxes
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.

11. Employee benefits

(i) Pension asset
The Group operates a defined benefit pension plan. The asset in respect of the defined benefit pension plan is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates on government securities which have terms to maturity approximating the terms of the related liability. The pension benefit is based on the best consecutive five years' earnings in the last ten years of employment and the charge representing the net periodic pension cost less employee contributions, is included in staff costs.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to the pension plan are charged or credited to income over the service lives of the related employees.

(ii) Other post-retirement obligations
The Group provides post-retirement health care benefits to its 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. These obligations are valued annually by independent qualified actuaries.

(iii) Employee entitlements
Employee entitlements to annual leave and other benefits are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the balance sheet date.

(iv) Defined contribution plan
In addition to the defined benefit plan the Group operates a defined contribution plan for employees hired after September 30, 2002.

12. Segment Financial Information
The Group is organised into two main business segments:

(a) Financial Services — This incorporates retail and corporate banking services.

(b) Investment Management Services — This includes investments and pension fund management and the administration of trust accounts. This subsidiary was sold on April 29, 2005.

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

The Group's operations are located solely in Jamaica.

13. Comparative information
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.