

FirstCaribbean International Bank (Jamaica) Limited

Condensed Consolidated Financial Statements

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



FIRSTCARIBBEAN
INTERNATIONAL BANK

Chairman's Review

FirstCaribbean International Bank Jamaica is pleased to report net income after taxation (NIAT) of \$451.7 million for the nine months ended July 31, 2006 compared to \$349.3 million for the corresponding period in the preceding year. The increase of \$102.3 million or 29.3% was driven primarily by the growth in our loan portfolio. The NIAT of \$349.3 million recorded for the third quarter of 2005 included \$135.4 million gained on the sale of FirstCaribbean International Securities Limited. Excluding this gain, NIAT increased by 111.2%.

Total revenue amounted to \$2 billion, reflecting a \$408.5 million or 25% increase over the same period in the prior year and was mainly attributable to the growth in our loan volumes. Non-interest income for the comparable period last year included the aforementioned \$135.4 million. Excluding this amount, non-interest income increased by \$135 million or 36.1% year over year. Non-interest expenses amounted to \$1.3 billion, an increase of \$111.5 million or 9.3%.

Despite the increased earnings, the annualised return on stockholders' equity fell from 17.1% to 15.4% due to the US\$20 million (J\$1.3 billion) capital injected during the second quarter. Earnings per weighted average number of shares were \$2.02 compared to \$1.81 for the nine months ended July 31, 2005.

Total assets stood at \$30 billion as at July 31, 2006 compared to \$21.6 billion as at July 31, 2005. Loans and leases amounted to \$21.1 billion and continue to experience above-market growth rates with a 12-month loan growth of \$9.5 billion or 81.1%. We are satisfied with the quality of the loan portfolio. Non-performing loans amounted to \$306.1 million or 1.5% of total loans compared to \$239.6 million (2.1% of total loans) as at July 31, 2005. Customers' deposits grew by \$6.1 billion or 33.6% to \$24.4 billion.

Given the Bank's decision to inject capital and transfer \$540 million from Retained Earnings to Statutory Reserve Fund to support the continuing growth of the business, your Board recommends that no dividend be paid for the third quarter ended July 31, 2006.

We thank our customers, employees and other stakeholders for their continued support.

Michael K. Mansoor
Chairman

CONSOLIDATED BALANCE SHEET (J\$'000) AS AT JULY 31, 2006

	Unaudited July 31, 2006	Unaudited July 31, 2005	Audited October 31, 2005
Assets			
Cash resources	5,302,759	6,406,465	6,591,062
Investment securities	1,691,301	1,533,987	1,503,634
Government securities purchased under resale agreement	245,911	454,688	135,357
Loans, less provision for impairment	21,101,566	11,672,364	13,863,062
Net investment in leases	45,330	5,936	9,239
Other assets	564,872	653,615	429,673
Taxation recoverable	-	4,511	-
Deferred tax assets	3,718	-	816
Retirement benefit assets	652,298	507,427	618,410
Property, plant and equipment	359,486	409,190	378,436
Total assets	29,967,241	21,648,183	23,529,689
Liabilities			
Customers' deposits	24,429,863	18,292,455	19,863,646
Other liabilities	212,231	205,873	308,129
Taxation payable	180,868	8,166	17,147
Deferred tax liabilities	184,723	132,098	171,874
Retirement benefit obligation	140,395	112,108	135,400
Total liabilities	25,148,080	18,750,700	20,496,196
Stockholders' Equity			
Share capital and reserves	4,067,740	2,147,863	2,193,724
Retained earnings	751,421	749,620	839,769
	4,819,161	2,897,483	3,033,493
Total shareholders' equity and liabilities	29,967,241	21,648,183	23,529,689

Michael Mansoor
Chairman

Milton Brady
Managing Director

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares (J\$'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	-	-	-	-	-	-	-	-	-	349,317	349,317
Transfer of realised reserves on sale of subsidiary	-	-	(6,625)	-	-	-	-	-	(6,625)	6,625	-
Transfer to retained earnings reserve	-	-	-	-	370,000	-	-	-	370,000	(370,000)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Balance at July 31, 2005	193,333	96,667	12,833	156,667	1,776,163	45,522	60,011	-	2,147,863	749,620	2,897,483
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	-	-	-	-	-	-	-	-	-	451,652	451,652
Capital injection	72,424	1,300,000	-	-	-	-	-	-	1,300,000	-	1,300,000
Transfer to statutory reserve fund	-	-	-	540,000	-	-	-	-	540,000	(540,000)	-
MTM fair value of available-for- sale investment	-	-	-	-	-	-	-	34,016	34,016	-	34,016
Dividends	-	-	-	-	-	-	-	-	-	-	-
Balance at July 31, 2006	265,757	1,396,667	12,833	696,667	1,776,163	45,522	103,322	36,566	4,067,740	751,421	4,819,161

CONSOLIDATED STATEMENT OF INCOME (J\$'000) NINE MONTHS ENDED JULY 31, 2006

ended	Unaudited Quarter ended July 31, 2006	Unaudited Nine months ended July 31, 2006	Unaudited Quarter ended July 31, 2005	Unaudited Nine months ended July 31, 2005	Audited Year ended Oct 31, 2005
Interest income	818,959	2,237,609	623,815	1,740,561	2,381,655
Interest expenses	(259,210)	(702,132)	(207,729)	(613,997)	(818,989)
Net interest income	559,749	1,535,477	416,086	1,126,564	1,562,666
Non-interest income	191,176	509,262	130,600	374,263	539,162
Gain on sale of subsidiary	-	-	-	135,445	135,445
Total Revenue	750,925	2,044,739	546,686	1,636,272	2,237,273
Non-interest expenses	482,830	1,307,522	409,493	1,196,069	1,542,480
Provision for credit losses	22,745	59,064	4,865	14,304	67,788
	505,575	1,366,586	414,358	1,210,373	1,610,268
Income before taxation	245,350	678,153	132,328	425,899	627,005
Taxation	(87,853)	(226,501)	(34,103)	(76,582)	(144,228)
Net Income	157,497	451,652	98,225	349,317	482,777

Weighted average number of common shares outstanding (000')	254,364	223,343	193,333	193,333	193,333
Net income per weighted average common shares in cents	61.9	202.2	50.8	180.7	249.7