

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the nine month period ended July 31, 2012 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CHAIRMAN'S REVIEW

Net income for the nine months ended July 31, 2012 totaled \$47.6 million versus the same period in the prior year of \$70.8 million, a reduction of \$23.2 million mainly driven by higher loan loss expenses.

Revenues were up year on year by \$17.8 million due to increases in net interest income and operating income of \$12.9 million and \$4.9 million respectively. The increase in net interest income was driven mainly by lower deposit rates, while the increase in operating income was primarily due to the acquisitions in September 2011 of CIBC Bank and Trust Company (Cayman) Limited and CIBC Trust Company (Bahamas) Limited.

Operating expenses were up \$8.0 million against the prior year comparative mainly driven by the above-noted acquisition. Loan loss expenses which are the main contributor to the year over year decline, increased by \$44.5 million and are continuing to have a significant adverse affect on our results reflecting the stressed economic environment in our region. The Bank continues to work closely with clients to seek solutions in the best interest of all parties involved. Taxation expenses were lower by \$10.0 million due to lower earnings in taxable jurisdictions.

The Bank continues to maintain a strong foundation with Tier I and Tier I & II capital ratios at 22% and 23% respectively which are well in excess of regulatory requirements.

I thank the Board, management, staff and our customers for their loyalty and support.

**Michael K. Mansoor**  
Chairman  
August 30, 2012

### FORWARD-LOOKING STATEMENT DISCLOSURE.

This report may contain forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward looking statements provide management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, actual results could differ materially from those contained in or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) changes in general economic conditions, or in the condition of the local economies in which we have significant operations or assets, which could, among other things, materially impact credit quality trends and our ability to generate loans; (4) increased competitive pressure among financial services companies; (5) the inability to successfully execute strategic initiatives designed to grow revenues and/or management expenses; (6) consummation of significant business combinations or divestitures; (7) operational or risk management failures due to technological or other factors; (8) heightened regulatory practices, requirements or expectations; (9) new legal obligations or restrictions or unfavourable resolution of litigation; (10) adverse capital markets conditions; (11) disruption in the economy and general business climate as a result of terrorist activities or military actions; and (12) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements. For further information regarding FirstCaribbean International Bank Limited, please read FirstCaribbean International Bank Limited's financial and other reports that are available on the company's website at www.cibcfcib.com.

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Unaudited July 31, 2012	Unaudited July 31, 2011	Audited October 31, 2011
Cash, balances with Central Banks and due from banks	2,054,404	1,214,897	2,297,559
Financial assets at fair value through profit or loss	19,255	37,075	27,319
Loans and advances to customers	6,869,284	6,632,758	6,591,023
Investment securities	1,670,008	1,603,080	1,716,879
Property and equipment	128,531	127,207	131,256
Other assets	218,496	154,573	128,084
Intangible assets	334,905	336,358	335,624
<b>Total assets</b>	<b>11,294,883</b>	<b>10,105,948</b>	<b>11,227,744</b>
<b>Liabilities</b>			
Customer deposits and other borrowed funds	9,464,858	8,382,388	9,415,217
Financial liabilities at fair value through profit or loss	19,255	37,075	27,319
Other liabilities	156,121	98,103	135,721
Debt securities in issue	31,373	31,329	30,697
<b>Total liabilities</b>	<b>9,671,607</b>	<b>8,548,895</b>	<b>9,608,954</b>
<b>Equity attributable to equity holders of the parent</b>			
Issued capital and reserves	972,476	896,046	961,270
Retained earnings	621,643	630,850	626,845
	1,594,119	1,526,896	1,588,115
<b>Non-controlling interests</b>	<b>29,157</b>	<b>30,157</b>	<b>30,675</b>
<b>Total equity</b>	<b>1,623,276</b>	<b>1,557,053</b>	<b>1,618,790</b>
<b>Total liabilities and equity</b>	<b>11,294,883</b>	<b>10,105,948</b>	<b>11,227,744</b>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

**Sir Fred Gollop**  
Director

**Sir Allan Fields**  
Director

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
<b>Balance at October 31, 2010</b>	1,117,349	(234,518)	660,680	29,708	1,573,219
Total comprehensive income for the period	—	4,432	68,810	2,060	75,302
Transfer to reserves	—	8,783	(8,783)	—	—
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,611)	(1,611)
<b>Balance at July 31, 2011</b>	<b>1,117,349</b>	<b>(221,303)</b>	<b>630,850</b>	<b>30,157</b>	<b>1,557,053</b>
<b>Balance at October 31, 2011</b>	<b>1,193,149</b>	<b>(231,879)</b>	<b>626,845</b>	<b>30,675</b>	<b>1,618,790</b>
Total comprehensive income for the period	—	6,020	45,383	2,438	53,841
Transfer to reserves	—	4,120	(4,120)	—	—
Acquisition of additional interest in subsidiary	—	1,066	241	(2,460)	(1,153)
Equity dividends	—	—	(46,706)	—	(46,706)
Dividends of subsidiaries	—	—	—	(1,496)	(1,496)
<b>Balance at July 31, 2012</b>	<b>1,193,149</b>	<b>(220,673)</b>	<b>621,643</b>	<b>29,157</b>	<b>1,623,276</b>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended July 31, 2012	Unaudited July 31, 2011	Unaudited Nine months ended July 31, 2012	Unaudited July 31, 2011	Audited Year ended October 31, 2011
Interest and similar income	123,354	123,072	373,401	375,645	495,566
Interest and similar expense	25,497	30,078	77,762	92,965	121,427
<b>Net interest income</b>	<b>97,857</b>	<b>92,994</b>	<b>295,639</b>	<b>282,680</b>	<b>374,139</b>
Operating income	34,398	34,680	105,835	100,968	133,319
	132,255	127,674	401,474	383,648	507,458
Operating expenses	89,448	85,817	257,648	249,619	338,387
Loan loss impairment	25,530	21,849	96,505	51,968	87,244
Amortisation of intangible assets	—	742	721	2,224	2,963
	114,978	108,408	354,874	303,811	428,594
<b>Income before taxation</b>	<b>17,277</b>	<b>19,266</b>	<b>46,600</b>	<b>79,837</b>	<b>78,864</b>
Income tax (credit) / expense	(872)	1,590	(997)	8,998	5,198
<b>Net income for the period</b>	<b>18,149</b>	<b>17,676</b>	<b>47,597</b>	<b>70,839</b>	<b>73,666</b>
<b>Attributable to:</b>					
Equity holders of the parent	17,390	16,999	45,383	68,810	70,827
Non-controlling interests	759	677	2,214	2,029	2,839
	18,149	17,676	47,597	70,839	73,666
<b>Earnings per share attributable to the equity holders of the parent for the period:</b> (expressed in cents per share) - basic and diluted	1.1	1.1	2.9	4.5	4.6

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended July 31, 2012	Unaudited July 31, 2011	Unaudited Nine months ended July 31, 2012	Unaudited July 31, 2011	Audited Year ended October 31, 2011
<b>Net income for the period</b>	<b>18,149</b>	<b>17,676</b>	<b>47,597</b>	<b>70,839</b>	<b>73,666</b>
<b>Other comprehensive income:</b>					
Net income / (loss) on available-for-sale investment securities, net of tax	1,232	8,327	9,862	5,870	(3,991)
Exchange differences on translation of foreign operations, net of tax	(2,509)	(608)	(3,618)	(1,407)	(1,383)
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(1,277)</b>	<b>7,719</b>	<b>6,244</b>	<b>4,463</b>	<b>(5,374)</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>16,872</b>	<b>25,395</b>	<b>53,841</b>	<b>75,302</b>	<b>68,292</b>
<b>Attributable to:</b>					
Equity holders of the parent	16,129	24,666	51,403	73,242	65,714
Non-controlling interests	743	729	2,438	2,060	2,578
	16,872	25,395	53,841	75,302	68,292

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months ended July 31, 2012	Unaudited Nine months ended July 31, 2011	Audited Year ended October 31, 2011
<b>Net cash from / (used in) operating activities</b>	<b>325,237</b>	<b>37,190</b>	<b>(76,491)</b>
<b>Net cash from investing activities</b>	<b>96,529</b>	<b>23,824</b>	<b>1,019,483</b>
<b>Net cash used in financing activities</b>	<b>(50,544)</b>	<b>(47,452)</b>	<b>(125,386)</b>
<b>Net increase in cash and cash equivalents for the period</b>	<b>371,222</b>	<b>13,562</b>	<b>817,606</b>
Effect of exchange rate changes on cash and cash equivalents	(3,618)	(799)	(1,383)
<b>Cash and cash equivalents, beginning of the period</b>	<b>1,352,580</b>	<b>536,357</b>	<b>536,357</b>
<b>Cash and cash equivalents, end of the period</b>	<b>1,720,184</b>	<b>549,120</b>	<b>1,352,580</b>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the nine month period ended July 31, 2012 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

### CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited July 31, 2012				
	RB	CLIB	WM	Admin	Total
External revenues	136,993	179,511	36,005	48,965	401,474
Revenues from other segments	13,111	(6,002)	35,048	(42,157)	—
<b>Total Revenues</b>	<b>150,104</b>	<b>173,509</b>	<b>71,053</b>	<b>6,808</b>	<b>401,474</b>
Segment Results	(6,473)	(18,207)	28,935	42,345	46,600
Taxation credit	—	—	—	(997)	(997)
<b>Net income for the period</b>					<b>47,597</b>
Segment Assets	2,436,541	4,017,018	328,227	4,141,653	10,923,439
Unallocated assets					371,444
					<b>11,294,883</b>
Segment liabilities	2,820,423	2,191,222	4,068,556	589,764	9,669,965
Unallocated liabilities					1,642
<b>Total liabilities</b>					<b>9,671,607</b>

	Audited Oct 31, 2011				
	RB	CLIB	WM	Admin	Total
External revenues	186,276	230,031	26,321	64,830	507,458
Revenues from other segments	22,627	(4,574)	41,782	(59,835)	—
<b>Total Revenues</b>	<b>208,903</b>	<b>225,457</b>	<b>68,103</b>	<b>4,995</b>	<b>507,458</b>
Segment Results	3,321	(2,726)	31,168	47,101	78,864
Taxation expense	—	—	—	5,198	5,198
<b>Net income for the year</b>					<b>73,666</b>
Segment assets	2,497,721	3,847,209	352,721	4,161,543	10,859,194
Unallocated assets					368,550
<b>Total assets</b>					<b>11,227,744</b>
Segment liabilities	3,772,448	2,319,695	2,909,631	599,939	9,601,713
Unallocated liabilities					7,241
<b>Total liabilities</b>					<b>9,608,954</b>

	Unaudited July 31, 2011				
	RB	CLIB	WM	Admin	Total
External revenues	136,440	178,549	18,906	49,753	383,648
Revenues from other segments	18,617	(4,956)	31,522	(45,183)	—
<b>Total Revenues</b>	<b>155,057</b>	<b>173,593</b>	<b>50,428</b>	<b>4,570</b>	<b>383,648</b>
Segment Results	7,799	13,609	24,184	34,245	79,837
Taxation expense	—	—	—	8,998	8,998
<b>Net income for the period</b>					<b>70,839</b>
Segment Assets	2,493,439	3,924,851	350,911	2,972,122	9,741,323
Unallocated assets					364,625
					<b>10,105,948</b>
Segment liabilities	2,835,855	2,366,676	2,639,559	697,602	8,539,692
Unallocated liabilities					9,203
<b>Total liabilities</b>					<b>8,548,895</b>

#### Notes:

1) The Group implemented a new organizational structure with effect from January 1, 2012 which introduced a new business segment, Wealth Management ("WM"). The Group's operations are now organized into three business segments, Retail Banking ("RB"), Corporate Lending and Investment Banking ("CLIB") and Wealth Management ("WM"), which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, HR, Technology & Operations, Risk and Other). The Administration segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, CLIB and WM. Please refer to note 33 of the Group's Annual Report 2011 for further details.

Concurrently, the assumptions underpinning the segment allocation methodologies were updated resulting in changes to segment performance. Prior period disclosures were amended to conform to this current presentation basis.

2) The material change year on year in segment assets under Admin and segment liabilities under RB is due to the acquisition on September 30, 2011.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS July 31, 2012 (expressed in United States dollars)

#### Summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2011, included in the Group's Annual Report 2011. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

#### Basis of presentation

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, has been condensed or omitted. Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the unaudited condensed consolidated financial statements for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of results for the entire year.

In preparing these unaudited condensed consolidated financial statements, management is required to make estimates and assumptions which affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

#### Dividends

During the quarter, the interim dividends as approved by the Board of Directors in June 2012, in the amount of one point five United States cents per share (US\$0.015 cents per share) were paid.