

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the year ended October 31, 2012 (expressed in thousands of United States dollars)



**FirstCaribbean**  
International Bank

### CHAIRMAN'S REVIEW

I am pleased to report that the Bank closed the year with a strong fourth quarter when compared to that of the prior year, bringing net income for the financial year ended October 31, 2012 to \$72 million versus \$74 million in 2011. The Bank's performance continues to be affected by its wide scope of operations in 17 countries, many of which are being affected by marginal growth, low domestic demand and national fiscal deficits.

Total revenue was up by 7% driven in large part by our acquisition of CIBC Bank and Trust Company (Cayman) and CIBC Trust (Bahamas) Limited on September 30, 2011, but also lower interest expenses due to reduced rates and unwinding of swap positions.

Total expenses, excluding loan losses, increased by 2% mainly driven by the above-noted acquisition, partially offset by the impact of cost containment efforts and lower amortization. Loan loss expenses were higher by 37% when compared with the prior year as the Bank continues to ensure adequate coverage for potential losses, especially on loans in the real estate and construction sector. We continue to work with our clients to seek solutions in the best interest of all involved and manage the non-performing portfolio closely. Taxation expenses declined against the prior year as a result of lower income in taxable jurisdictions.

The balance sheet remains strong, with year on year growth stemming mainly from loans and advances and our capital ratios continue to be well in excess of regulatory requirements.

The Directors have approved the payment of a final dividend of one point five cents (\$0.015) per share to be paid on January 31, 2013 to the shareholders of record as at December 20, 2012. The interim dividend was also one point five cents (\$0.015) per share, bringing the full year dividends to three cents (\$0.030) per share.

I wish to thank all of our stakeholders including our customers, the Board, management and our employees for their ongoing support.

**Michael K. Mansoor**  
Chairman  
December 15, 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 manage 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.

### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

#### To the Shareholders of FirstCaribbean International Bank Limited

The accompanying condensed consolidated financial statements, which comprise the condensed consolidated statement of financial position as at 31 October 2012, condensed consolidated statement of income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited for the year ended 31 October 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 13 December 2012. Those consolidated financial statements, and the summarised consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of FirstCaribbean International Bank Limited.

#### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements."

#### Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited for the year ended 31 October 2012 are consistent, in all material respects, with those consolidated financial statements, on the basis of management's criteria as described in Note 1.

CHARTERED ACCOUNTANTS  
Barbados  
December 15, 2012

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited October 31, 2012	Audited October 31, 2011
<b>Assets</b>		
Cash, balances with Central Banks and due from banks	2,381,048	2,297,559
Financial assets at fair value through profit or loss	14,855	27,319
Loans and advances to customers	6,831,697	6,616,497
Investment securities	1,703,598	1,716,879
Property and equipment	133,597	131,256
Other assets	100,589	102,610
Intangible assets	334,907	335,624
<b>Total assets</b>	<b>11,500,291</b>	<b>11,227,744</b>
<b>Liabilities</b>		
Customer deposits and other borrowed funds	9,641,024	9,415,217
Financial liabilities at fair value through profit or loss	14,855	27,319
Other liabilities	163,287	135,721
Debt securities in issue	30,610	30,697
<b>Total liabilities</b>	<b>9,849,776</b>	<b>9,608,954</b>
<b>Equity attributable to equity holders of the parent</b>		
Issued capital and reserves	982,528	961,270
Retained earnings	638,343	626,845
	<b>1,620,871</b>	<b>1,588,115</b>
<b>Non-controlling interests</b>	<b>29,644</b>	<b>30,675</b>
<b>Total equity</b>	<b>1,650,515</b>	<b>1,618,790</b>
<b>Total liabilities and equity</b>	<b>11,500,291</b>	<b>11,227,744</b>

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

Director

Director

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				Total Equity
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	
<b>Balance at October 31, 2010</b>	1,117,349	(234,518)	660,680	29,708	1,573,219
Total comprehensive (loss)/income for the year, net of tax	—	(5,113)	70,827	2,578	68,292
Issue of share capital	75,800	—	—	—	75,800
Transfer to reserves	—	7,752	(7,752)	—	—
Acquisition of subsidiaries	—	—	(7,053)	—	(7,053)
Equity dividends	—	—	(89,857)	—	(89,857)
Dividends of subsidiaries	—	—	—	(1,611)	(1,611)
<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 year, net of tax	—	8,970	69,161	2,968	81,099
Transfer to reserves	—	11,201	(11,201)	—	—
Purchase of non-controlling interest in subsidiary	—	1,087	244	(2,503)	(1,172)
Equity dividends	—	—	(46,706)	—	(46,706)
Dividends of subsidiaries	—	—	—	(1,496)	(1,496)
<b>Balance at October 31, 2012</b>	<b>1,193,149</b>	<b>(210,621)</b>	<b>638,343</b>	<b>29,644</b>	<b>1,650,515</b>

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

### CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Audited Year ended October 31, 2012	Audited Year ended October 31, 2011
Net interest income	396,822	374,139
Operating income	146,095	133,319
	<b>542,917</b>	<b>507,458</b>
Operating expenses	347,960	338,387
Loan loss impairment	119,967	87,244
Amortisation of intangible assets	717	2,963
	<b>468,644</b>	<b>428,594</b>
Income before taxation	74,273	78,864
Income tax expense	2,404	5,198
<b>Net income for the year</b>	<b>71,869</b>	<b>73,666</b>
<b>Attributable to:</b>		
Equity holders of the parent	69,161	70,827
Non-controlling interests	2,708	2,839
	<b>71,869</b>	<b>73,666</b>
<b>Basic earnings per share attributable to the equity holders of the parent for the year (expressed in cents per share)</b>	<b>4.4</b>	<b>4.6</b>

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### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended October 31, 2012	Audited Year ended October 31, 2011
Net income for the year	71,869	73,666
<b>Other comprehensive income/(losses):</b>		
Net gains/(losses) on available-for-sale investment securities, net of tax	14,395	(3,991)
Net exchange losses on translation of foreign operations, net of tax	(5,165)	(1,383)
<b>Other comprehensive gains/(losses) for the year, net of tax</b>	<b>9,230</b>	<b>(5,374)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>81,099</b>	<b>68,292</b>
<b>Attributable to:</b>		
Equity holders of the parent	78,131	65,714
Non-controlling interests	2,968	2,578
	<b>81,099</b>	<b>68,292</b>

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

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Year ended October 31, 2012	Audited Year ended October 31, 2011
Net cash from / (used in) operating activities	68,191	(76,491)
Net cash from investing activities	82,651	1,019,483
Net cash used in financing activities	(52,815)	(125,386)
<b>Net increase in cash and cash equivalents for the year</b>	<b>98,027</b>	<b>817,606</b>
Effect of exchange rate changes on cash and cash equivalents	(5,165)	(1,383)
<b>Cash and cash equivalents, beginning of the year</b>	<b>1,352,580</b>	<b>536,357</b>
<b>Cash and cash equivalents, end of the year</b>	<b>1,445,442</b>	<b>1,352,580</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Summary of significant accounting policies - Basis of presentation

The accompanying audited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2012, included in the Group Annual Report 2012 as posted on our website ([www.cibfcib.com](http://www.cibfcib.com)). For a description of the Group's significant accounting policies, see Section 4 of the Consolidated Financial Statements 2012 (Note 2).