

FirstCaribbean International Bank



FirstCaribbean
International Bank

Consolidated Financial Statements For the three month period ended January 31, 2013 (expressed in United States dollars)

CHAIRMAN'S REVIEW

Net income for the three months ended January 31, 2013 totaled \$18.6 million, a reduction of \$1.7 million versus the same period in the prior year. Total assets are currently \$11.5 billion which is up 1% against January 2012.

The lagging economic recovery worldwide continues to affect business activity and consumer demand. Revenue has declined year over year by \$6.8 million. Total expenses including loan loss impairment, however, are \$5.5 million lower than 2012.

The Bank's Tier I and total capital ratios remain strong at 23% and 24% respectively which are well in excess of the minimum regulatory requirements. This is a testament to the continued strength of the Bank.

I wish to thank all our customers, employees, shareholders and our Directors for their loyalty and contribution to our business.

Michael K. Mansoor
Chairman
February 28, 2013

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.cibcfib.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited January 31, 2013	Unaudited January 31, 2012	Audited October 31, 2012
Assets			
Cash, balances with Central Banks and due from banks	2,491,568	2,456,539	2,381,048
Financial assets at fair value through profit or loss	13,250	24,512	14,855
Loans and advances to customers	6,664,819	6,647,092	6,831,697
Investment securities	1,729,123	1,657,452	1,703,598
Property and equipment	130,265	129,874	133,597
Other assets	147,655	167,485	100,589
Intangible assets	334,907	334,907	334,907
Total assets	11,511,587	11,417,861	11,500,291
Liabilities			
Customer deposits and other borrowed funds	9,650,925	9,563,984	9,641,024
Financial liabilities at fair value through profit or loss	13,250	24,512	14,855
Other liabilities	166,817	182,231	163,287
Debt securities in issue	30,936	31,413	30,610
Total liabilities	9,861,928	9,802,140	9,849,776
Equity attributable to equity holders of the parent			
Issued capital and reserves	992,598	966,110	982,528
Retained earnings	627,793	621,089	638,343
	1,620,391	1,587,199	1,620,871
Non-controlling interests	29,268	28,522	29,644
Total equity	1,649,659	1,615,721	1,650,515
Total liabilities and equity	11,511,587	11,417,861	11,500,291

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

Sir Allan Fields
Director

Sir Fred Gallop
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	
Balance at October 31, 2011	1,193,149	(231,879)	626,845	30,675	1,618,790
Total comprehensive income for the year	—	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)
Balance at October 31, 2012	1,193,149	(210,621)	638,343	29,644	1,650,515
Total comprehensive income for the period	—	4,300	18,573	372	23,245
Transfer to reserves	—	5,770	(5,770)	—	—
Equity dividends	—	—	(23,353)	—	(23,353)
Dividends of subsidiaries	—	—	—	(748)	(748)
Balance at January 31, 2013	1,193,149	(200,551)	627,793	29,268	1,649,659

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Period ended January 31, 2013	Unaudited Period ended January 31, 2012	Audited Period ended October 31, 2012
Net interest income	94,398	100,646	396,822
Operating income	36,942	37,446	146,095
	131,340	138,092	542,917
Operating expenses	87,835	81,407	347,960
Loan loss impairment	23,761	34,967	119,967
Amortisation of intangible assets	—	717	717
	111,596	117,091	468,644
Income before taxation	19,744	21,001	74,273
Income tax expense/(credit)	1,060	(122)	2,404
Net income for the period	18,684	21,123	71,869
Attributable to:			
Equity holders of the parent	18,573	20,240	69,161
Non-controlling interests	111	883	2,708
	18,684	21,123	71,869
Basic earnings per share attributable to the equity holders of the parent for the year (expressed in cents per share)	1.2	1.3	4.4

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Period ended January 31, 2013	Unaudited Period ended January 31, 2012	Audited Year ended October 31, 2012
Net income for the period	18,684	21,123	71,869
Other comprehensive income:			
Net gains on available-for-sale investment securities, net of tax	7,697	1,379	14,395
Net exchange losses on translation of foreign operations, net of tax	(3,136)	(393)	(5,165)
Other comprehensive gains for the period, net of tax	4,561	986	9,230
Total comprehensive income for the period, net of tax	23,245	22,109	81,099
Attributable to:			
Equity holders of the parent	22,873	21,215	78,131
Non-controlling interests	372	894	2,968
	23,245	22,109	81,099

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Period ended January 31, 2013	Unaudited Period ended January 31, 2012	Audited Year ended October 31, 2012
Net cash from operating activities	93,397	642,638	68,191
Net cash from investing activities	1,355	74,389	82,651
Net cash used in financing activities	(24,108)	(25,088)	(52,815)
Net increase in cash and cash equivalents for the period	70,644	691,939	98,027
Effect of exchange rate changes on cash and cash equivalents	(3,136)	(393)	(5,165)
Cash and cash equivalents, beginning of the period	1,445,442	1,352,580	1,352,580
Cash and cash equivalents, end of the period	1,512,950	2,044,126	1,445,442

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

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CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited Jan 31, 2013				
	RB	CLIB	WM	Admin	Total
External revenues	44,985	54,807	12,787	18,761	131,340
Revenues from other segments	4,279	(18)	11,724	(15,985)	—
Total Revenues	49,264	54,789	24,511	2,776	131,340
Segment Results	(4,655)	(682)	11,507	13,574	19,744
Taxation expense	—	—	—	1,060	1,060
Net income for the period					18,684
Segment Assets	2,404,062	3,489,656	327,855	4,918,103	11,139,676
Unallocated assets					371,911
Total assets					11,511,587
Segment liabilities	2,845,723	2,284,572	4,195,554	532,644	9,858,493
Unallocated liabilities					3,435
Total liabilities					9,861,928

	Unaudited Jan 31, 2012				
	RB	CLIB	WM	Admin	Total
External revenues	46,976	63,693	12,843	14,580	138,092
Revenues from other segments	4,846	(1,474)	9,614	(12,986)	—
Total Revenues	51,822	62,219	22,457	1,594	138,092
Segment Results	6,757	(7,286)	8,477	13,053	21,001
Taxation (credit)	—	—	—	(122)	(122)
Net income for the period					21,123
Segment Assets	2,492,557	4,234,429	330,800	3,990,785	11,048,571
Unallocated assets					369,290
Total assets					11,417,861
Segment liabilities	2,791,234	2,289,928	4,140,262	576,032	9,797,456
Unallocated liabilities					4,684
Total liabilities					9,802,140

	Audited Oct 31, 2013				
	RB	CLIB	WM	Admin	Total
External revenues	182,728	241,281	49,362	69,546	542,917
Revenues from other segments	17,745	(6,365)	47,344	(58,724)	—
Total Revenues	200,473	234,916	96,706	10,822	542,917
Segment Results	(15,158)	(10,964)	44,241	56,154	74,273
Taxation expense	—	—	—	2,404	2,404
Net income for the period					71,869
Segment Assets	2,418,709	4,012,888	328,533	4,368,903	11,129,033
Unallocated assets					371,258
Total assets					11,500,291
Segment liabilities	2,812,808	2,212,739	4,271,920	550,263	9,847,730
Unallocated liabilities					2,046
Total liabilities					9,849,776

Notes:

1) The Group's operations are 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. The Admin segment comprises of Treasury, Finance, HR, Technology, Operations, Risk and Other and its 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 2012 for further details. The Group implemented a new organizational structure with effect from January 1, 2012 which introduced a new business segment, Wealth Management ("WM"). Concurrently, the assumptions underpinning the segment allocation methodologies were updated resulting in changes to segment performance and prior period disclosures were amended to conform to this current presentation basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, 2012, included in the Group's Annual Report 2012. 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 final dividends for the fiscal year ended October 31, 2012, as approved by the Board of Directors in December 2012, in the amount of one point five United States cents per share (US\$0.015 per share) were paid.