FirstCaribbean International Bank Limited

CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended July 31, 2015 (expressed in thousands of United States dollars)

CIBC FirstCaribbean International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

The Bank continued to deliver solid results against its strategic objectives of accelerating profitable revenue growth and improving operational efficiency by recording net income of $34.8 million in the third quarter, up $11.4 million or 49% over the prior year's third quarter net income of $23.4 million. Our results this quarter represent the highest net income since the second quarter of fiscal 2010.

For the nine month period ended July 31, 2015, net income was $87.0 million, up $31.9 million or 58% over prior year's adjusted[1] net income of $55.1 million for the same period.

Total revenue during the third quarter of fiscal 2015 increased by $7.1 million compared to the second quarter of fiscal 2015. Total revenue over the nine month period was down $7.9 million year over year primarily due to lower interest earnings from loans and securities. Some countries continue to experience low credit demand, additionally interest margins on loans and securities yields were lower. While productive loans balances are down 1% over the prior year, an improved performance over the second quarter of 2015 was recorded with 1% or $80.6 million in loan growth as a larger proportion of the sales pipeline was converted into productive loans during the latter half of this quarter. Operating expenses over the nine month period were down by $3.0 million compared with the same period last year as we continue to benefit from expense control initiatives and savings from our restructuring program.

Loan loss impairment expense was significantly lower by $43.1 million compared with the prior period's adjusted[1] expense of $77.9 million due to an improvement in the loss experience and recovery activity. Additionally, non-productive loan balances were down 18% to $651 million compared with the same period last year as efforts continue to further strengthen the quality of our loan portfolio.

The Bank continues to make a number of investments across the region pursuing its growth objectives while also demonstrating its continuing commitment to the Caribbean.

We have just recently announced that the Rendezvous Branch in Barbados will be converted into a first-class sales centre catering to Platinum Banking, Business Banking, Corporate and International Banking customers. We have opened new branches across the region, most notably the Santa Cruz mini-branch in Jamaica. Another branch at Fairview in the Montego Bay area is under construction. Additionally, we recently opened a Representative Office in Aruba and have plans to open a full service branch in 2016, as part of our expansion plan for the Dutch Caribbean.

The Bank's Tier 1 and Total Capital ratios remain strong at 21.5% and 22.8%, well in excess of applicable regulatory requirements.

We wish to thank the Board, management, staff and most importantly our clients for their loyalty and continuing support.

Rik Parkhill
Chief Executive Officer
August 27, 2015

[1] *Prior period net income has been adjusted for two (2) items of note, $115.0 million of incremental loan losses and a non-cash goodwill impairment charge of $115.9 million.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited July 31, 2015	Unaudited July 31, 2014 Restated*	Unaudited Oct 31, 2014 Restated*
Assets			
Cash, balances with Central Banks and due from banks	**1,944,162**	2,653,636	1,813,702
Loans and advances to customers	**6,016,988**	6,147,175	6,140,273
Investment securities	**2,360,626**	2,467,864	2,305,215
Property and equipment	**129,561**	128,763	131,538
Other assets	**203,203**	135,012	169,029
Intangible assets	**218,961**	218,959	218,961
Total assets	**10,873,501**	11,751,409	10,778,718
Liabilities			
Customer deposits and other borrowed funds	**9,156,284**	10,213,013	9,200,379
Other liabilities	**219,047**	200,150	209,678
Debt securities in issue	**133,161**	31,262	30,974
Total liabilities	**9,508,492**	10,444,425	9,441,031
Equity attributable to equity holders of the parent			
Issued capital and reserves	**921,632**	922,500	926,324
Retained earnings	**419,032**	361,991	387,966
	1,340,664	1,284,491	1,314,290
Non-controlling interests	**24,345**	22,493	23,397
Total equity	**1,365,009**	1,306,984	1,337,687
Total liabilities and equity	**10,873,501**	11,751,409	10,778,718

* Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made. Refer to Note 2.
Note: Results have been converted to US$ at an exchange rate of US$1 = BBD$2

Rik Parkhill
Chief Executive Officer

Sir Fred Gollop
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
Balance at October 31, 2013	1,193,149	(262,281)	574,409	26,416	1,531,693
Comprehensive loss for the period (Restated*)	-	(662)	(173,429)	(2,427)	(176,518)
Transfer to reserves	-	(7,706)	7,706	-	-
Equity dividends	-	-	(46,695)	-	(46,695)
Dividends of subsidiaries	-	-	-	(1,496)	(1,496)
Balance at July 31, 2014 (Restated*)	**1,193,149**	**(270,649)**	**361,991**	**22,493**	**1,306,984**
Balance at October 31, 2014 (Restated*)	1,193,149	(266,825)	387,966	23,397	1,337,687
Comprehensive income for the period	-	(11,555)	84,633	2,444	75,522
Transfer to reserves	-	6,863	(6,863)	-	-
Equity dividends	-	-	(46,704)	-	(46,704)
Dividends of subsidiaries	-	-	-	(1,496)	(1,496)
Balance at July 31, 2015	**1,193,149**	**(271,517)**	**419,032**	**24,345**	**1,365,009**

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME/(LOSS)

	Unaudited Quarter ended July 31, 2015	Unaudited Quarter ended July 31, 2014 Restated*	Unaudited Nine months ended July 31, 2015	Unaudited Nine months ended July 31, 2014 Restated*	Unaudited Year ended Oct 31, 2014 Restated*
Interest and similar income	**109,857**	113,885	**327,135**	342,927	455,175
Interest and similar expense	**17,469**	21,741	**58,537**	65,149	86,386
Net interest income	**92,388**	92,144	**268,598**	277,778	368,789
Operating income	**41,601**	42,003	**122,073**	120,789	159,526
	133,989	134,147	**390,671**	398,567	528,315
Operating expenses	**86,389**	87,306	**258,699**	261,674	349,259
Loan loss impairment	**7,366**	23,477	**34,770**	192,941	206,283
Impairment of intangible assets	**-**	-	**-**	115,946	115,946
	93,755	110,783	**293,469**	570,561	671,488
Income/(loss) before taxation	**40,234**	23,364	**97,202**	(171,994)	(143,173)
Income tax expense/(credit)	**5,412**	(4)	**10,185**	3,802	6,505
Net income/(loss) for the period	**34,822**	23,368	**87,017**	(175,796)	(149,678)
Attributable to:					
Equity holders of the parent	**34,005**	22,865	**84,633**	(173,429)	(147,958)
Non-controlling interests	**817**	503	**2,384**	(2,367)	(1,720)
	34,822	23,368	**87,017**	(175,796)	(149,678)
Basic and diluted earnings/(loss) per share attributable to the equity holders of the parent for the year: (expressed in cents per share)	**2.2**	1.4	**5.4**	(11.0)	(9.4)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Unaudited Quarter ended July 31, 2015	Unaudited Quarter ended July 31, 2014 Restated*	Unaudited Nine months ended July 31, 2015	Unaudited Nine months ended July 31, 2014 Restated*	Unaudited Year ended Oct 31, 2014 Restated*
Net income/(loss) for the period	**34,822**	23,368	**87,017**	(175,796)	(149,678)
Other comprehensive (loss)/income (net of tax) to be reclassified to net income or loss in subsequent periods:					
Net (losses)/gains on available-for-sale investment securities	**(1,117)**	3,534	**(6,466)**	7,391	8,763
Exchange losses on translation of foreign operations	**(2,121)**	(3,014)	**(5,029)**	(8,911)	(8,942)
	(3,238)	520	**(11,495)**	(1,520)	(179)
Other comprehensive (loss)/income (net of tax) not to be reclassified to net income or loss in subsequent periods:					
Re-measurement gains of retirement benefit obligations	**-**	257	**-**	798	4,053
Other comprehensive (loss)/income for the period, net of tax	**(3,238)**	777	**(11,495)**	(722)	3,874
Comprehensive income/(loss) for the period, net of tax	**31,584**	24,145	**75,522**	(176,518)	(145,804)
Comprehensive income/(loss) for the period attributable to:					
Equity holders of the parent	**30,716**	23,637	**73,078**	(174,091)	(144,281)
Non-controlling interests	**868**	(508)	**2,444**	(2,427)	(1,523)
	31,584	24,145	**75,522**	(176,518)	(145,804)

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FirstCaribbean International Bank Limited
CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended July 31, 2015 (expressed in thousands of United States dollars)

CIBC FirstCaribbean International Bank

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months ended July 31, 2015	Unaudited Year ended October 31, 2014 Restated*
Net cash from/(used in) operating activities	**131,150**	(493,996)
Net cash used in investing activities	**(18,443)**	(24,044)
Net cash from/(used in) financing activities	**50,668**	(34,018)
Net increase/(decrease) in cash and cash equivalents for the period	**163,375**	(552,058)
Effect of exchange rate changes on cash and cash equivalents	**(5,029)**	(8,942)
Cash and cash equivalents, beginning of the period	**1,376,184**	1,937,184
Cash and cash equivalents, end of the period	**1,534,530**	1,376,184

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CONDENSED CONSOLIDATED SEGMENT INFORMATION

Unaudited nine months ended July 31, 2015

	RB	WB	WM	Admin	Total
External revenues	136,448	155,090	40,052	59,081	390,671
Revenues from other segments	7,920	7,852	20,494	(36,266)	-
Total Revenues	144,368	162,942	60,546	22,815	390,671
Segment Results	(8,702)	38,071	19,024	48,809	97,202
Impairment of Intangible assets					-
Taxation expense					10,185
Net income for the period					87,017
Segment Assets	2,198,849	3,199,740	231,229	4,987,470	10,617,288
Unallocated assets					256,213
Total assets					10,873,501
Segment liabilities	2,962,243	2,882,540	3,299,149	353,306	9,497,238
Unallocated liabilities					11,254
Total liabilities					9,508,492

Audited year ended Oct 31, 2014 (Restated*)

	RB	WB	WM	Admin	Total
External revenues	180,816	214,930	50,348	82,221	528,315
Revenues from other segments	15,553	10,578	41,325	(67,456)	-
Total Revenues	196,369	225,508	91,673	14,765	528,315
Segment Results	(115,641)	1,321	28,612	58,481	(27,227)
Impairment of Intangible assets					(115,946)
Taxation expense					6,505
Net loss for the year					(149,678)
Segment assets	2,214,834	3,257,336	237,959	4,810,152	10,520,281
Unallocated assets					258,437
Total assets					10,778,718
Segment liabilities	2,886,305	2,430,895	3,530,902	587,295	9,435,397
Unallocated liabilities					5,634
Total liabilities					9,441,031

Unaudited nine months ended July 31, 2014 (Restated*)

	RB	WB	WM	Admin	Total
External revenues	136,510	161,504	36,999	63,554	398,567
Revenues from other segments	12,167	8,761	31,123	(52,051)	-
Total Revenues	148,677	170,265	68,122	11,503	398,567
Segment Results	(104,098)	(17,615)	19,289	46,376	(56,048)
Impairment of Intangible assets					(115,946)
Taxation expense					3,802
Net loss for the period					(175,796)
Segment assets	2,208,539	3,277,200	249,226	5,760,225	11,495,190
Unallocated assets					256,219
Total assets					11,751,409
Segment liabilities	2,914,729	2,466,680	4,480,020	580,455	10,441,884
Unallocated liabilities					2,541
Total liabilities					10,444,425

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Notes:
1. The Group's operations are now organized into four segments, Retail Banking ('RB"), Wholesale Banking ("WB"), 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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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 IFRS consolidated financial statements and notes thereto for the year ended October 31, 2014, included in the Group's Annual Report 2014. 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 2015, in the amount of one point five United States cents per share (US$0.015 cents per share) were paid.

2. Changes in Accounting Policies

IFRIC 21 clarifies the timing of the recognition of the liability for a levy imposed by a government. The Interpretation covers the accounting for outflows of economic benefits imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 Income Taxes), fines and other penalties, liabilities arising from emissions, trading schemes and outflows within the scope of other standards.

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. The Group has applied IFRIC 21 for the first time in these interim consolidated financial statements.

The Group's subsidiary, FirstCaribbean International Bank (Jamaica) Limited, is required by legislation to pay an asset tax on March 15th of each year based on the assets held as at the end of the previous financial year. Accordingly, a levy liability was recognized progressively over time during the previous financial year. Upon adoption of IFRIC 21, asset tax is no longer eligible to be accounted for on a periodic accrual basis, but must be recorded in full when triggered. The full liability of this expense for this current financial year should be recorded on November 1, 2014, based on the assets recorded as at October 31, 2014. Accordingly, the Group has determined that the levy liability that was recognized at October 31, 2014 should be reversed and, and instead be recognized in full on November 1, 2014. The prior period financial statements have been restated to reflect this change.

Impact on the affected line items in the consolidated financial statement of financial position, statement of income or loss and statement of comprehensive income (increase /(decrease)) :

	Nine months ended July 31, 2015	Quarter ended July 31, 2014	Nine months ended July 31, 2014	Year ended October 31, 2014
Other Liabilities	-	(296)	(266)	(1,153)
Retained earnings	(1,153)	296	266	1,153
Operating expenses	1,153	(296)	(266)	(1,153)
Profit for the period and total comprehensive income	(1,153)	296	266	1,153

There was no material impact on the group's basic or diluted EPS or the total operating, investing and financing cash flows.

3. Subsequent Event – Decision to sell net assets and discontinue operations in Belize

On August 3, 2015 the Bank entered into an agreement to sell its net assets in Belize to a local banking institution, Heritage Bank Limited. At July 31, 2015, assets for the Belize operation totaled $169 million, while total liabilities were $140 million. Upon the completion of the sale and related wind-up activity the Bank will discontinue its operations in Belize. The transaction is subject to approvals from the Central Banks of Belize and Barbados, along with other related governmental authorities.

The transaction is not expected to have a material impact on the Bank's capital ratios.