

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the three month period ended January 31, 2014 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

Net income for the three months ended January 31, 2014 totaled \$15.1 million versus \$19.6 million for the same period in the prior year. Net revenues of \$137.2 million were up \$5.9 million when compared with the corresponding three month period in the prior year.

Loan loss impairment expenses were up \$6.8 million reflecting the continued strain in the overall economic environment, while operating expenses of \$89.5 million were up \$2.6 million mainly due to higher business taxes.

Total assets of \$11.1 billion were down 3.6% against the same period in the prior year. Tier I and total capital ratios remained strong at 23% and 24% respectively which are well in excess of the minimum regulatory requirements. The Bank continues to focus on executing its strategic priorities to further improve customer experience and pursue risk-controlled growth.

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

Rik Parkhill
Chief Executive Officer
March 17, 2014

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.cibcfcb.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Unaudited January 31, 2014	Unaudited January 31, 2013 Restated *	Unaudited October 31, 2013 Restated *
Cash, balances with Central Banks and due from banks	2,047,153	2,491,568	2,311,538
Financial assets at fair value through profit or loss	—	13,250	—
Loans and advances to customers	6,284,378	6,664,819	6,329,247
Investment securities	2,104,270	1,729,123	2,214,085
Property and equipment	126,611	130,265	127,040
Other assets	184,230	134,723	113,095
Intangible assets	334,907	334,907	334,907
Total assets	11,081,549	11,498,655	11,429,912
Liabilities			
Customer deposits and other borrowed funds	9,332,866	9,650,925	9,622,921
Financial liabilities at fair value through profit or loss	—	13,250	—
Other liabilities	202,558	178,794	244,839
Debt securities in issue	30,895	30,936	30,461
Total liabilities	9,566,319	9,873,905	9,898,221
Equity attributable to equity holders of the parent			
Issued capital and reserves	921,790	961,739	929,952
Retained earnings	566,850	633,743	574,573
	1,488,640	1,595,482	1,504,525
Non-controlling interests	26,590	29,268	27,166
Total equity	1,515,230	1,624,750	1,531,691
Total liabilities and equity	11,081,549	11,498,655	11,429,912

* Certain amounts shown here do not correspond to the 2013 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.

Sir Allan Fields
Director

Sir Fred Gollop
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, 2012 (Restated)*	1,193,149	(241,254)	643,377	29,644	1,624,916
Total comprehensive income for the period (Restated)*	—	4,074	19,489	372	23,935
Transfer to reserves	—	5,770	(5,770)	—	—
Equity dividends	—	—	(23,353)	—	(23,353)
Dividends of subsidiaries	—	—	—	(748)	(748)
Balance at January 31, 2013 (Restated)*	1,193,149	(231,410)	633,743	29,268	1,624,750
Balance at October 31, 2013 (Restated) *	1,193,149	(263,197)	574,573	27,166	1,531,691
Total comprehensive income for the period	—	(7,245)	14,712	172	7,639
Transfer to reserves	—	(917)	917	—	—
Equity dividends	—	—	(23,352)	—	(23,352)
Dividends of subsidiaries	—	—	—	(748)	(748)
Balance at January 31, 2014	1,193,149	(271,359)	566,850	26,590	1,515,230

* Certain amounts shown here do not correspond to the 2013 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.

CONDENSED CONSOLIDATED STATEMENT OF INCOME/(LOSS)

	Unaudited Three months ended January 31, 2014	Unaudited Three months ended January 31, 2013 Restated *	Unaudited Year ended October 31, 2013 Restated *
Net interest income	94,682	94,398	373,188
Operating income	42,532	36,942	156,664
	137,214	131,340	529,852
Operating expenses	89,488	86,883	397,149
Loan loss impairment	30,589	23,761	151,399
	120,077	110,644	548,548
Income/(Loss) before taxation	17,137	20,696	(18,696)
Income tax expense	2,064	1,096	3,147
Net income/(loss) for the period	15,073	19,600	(21,843)
Attributable to:			
Equity holders of the parent	14,712	19,489	(21,253)
Non-controlling interests	361	111	(590)
	15,073	19,600	(21,843)

Earnings/(loss) per share attributable to the equity holders of the parent for the period:
(expressed in cents per share)

	2014	2013	2013
	0.9	1.2	(1.3)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Unaudited Three months ended January 31, 2014	Unaudited Three months ended January 31, 2013 Restated *	Unaudited Year ended October 31, 2013 Restated *
Net income/(loss) for the period	15,073	19,600	(21,843)
Other comprehensive income:			
Net (loss)/ gains on available-for-sale investment securities, net of tax	(5,781)	7,697	(5,939)
Exchange differences on translation of foreign operations, net of tax	(1,913)	(3,136)	(14,267)
Re-measurement gains/(losses) of retirement benefit obligations	260	(226)	(33,591)
Other comprehensive (loss)/income for the period, net of tax	(7,434)	4,335	(53,797)
Total comprehensive income/(loss) for the period, net of tax	7,639	23,935	(75,640)
Attributable to:			
Equity holders of the parent	7,467	23,563	(74,943)
Non-controlling interests	172	372	(697)
	7,639	23,935	(75,640)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months ended January 31, 2014	Unaudited Three months ended January 31, 2013 Restated *	Unaudited Year ended October 31, 2013 Restated *
Net cash (used in)/from operating activities	(310,931)	93,397	563,298
Net cash from/(used in) investing activities	139,915	1,355	(456,130)
Net cash used in financing activities	(24,000)	(24,108)	(51,581)
Net (decrease)/increase in cash and cash equivalents for the period	(195,016)	70,644	55,587
Effect of exchange rate changes on cash and cash equivalents	(1,913)	(3,136)	(14,267)
Cash and cash equivalents, beginning of the period	1,937,184	1,445,442	1,895,864
Cash and cash equivalents, end of the period	1,740,255	1,512,950	1,937,184

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CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited Jan 31, 2014				
	RB	WB	WM	Admin	Total
External revenues	46,216	55,370	12,548	23,080	137,214
Revenues from other segments	4,352	2,877	11,057	(18,286)	—
Total Revenues	50,568	58,247	23,605	4,794	137,214
Segment Results	(768)	(6,088)	8,575	15,418	17,137
Taxation expense	—	—	—	—	2,064
Net income for the period					15,073
Segment assets	2,335,512	3,266,698	293,338	4,813,136	10,708,684
Unallocated assets	—	—	—	—	372,865
Total assets					11,081,549
Segment liabilities	2,882,915	2,419,868	3,693,277	568,269	9,564,329
Unallocated liabilities	—	—	—	—	1,990
Total liabilities					9,566,319
	Unaudited Oct 31, 2013 (Restated) *				
	RB	WB	WM	Admin	Total
External revenues	175,649	213,684	50,287	90,232	529,852
Revenues from other segments	19,827	11,513	47,839	(79,179)	—
Total Revenues	195,476	225,197	98,126	11,053	529,852
Segment Results	(80,362)	(30,317)	32,367	59,616	(18,696)
Taxation expense	—	—	—	—	3,147
Net Loss for the year					(21,843)
Segment assets	2,357,462	3,269,123	291,433	5,135,876	11,053,894
Unallocated assets	—	—	—	—	376,018
Total assets					11,429,912
Segment liabilities	2,864,359	2,187,420	4,227,035	615,677	9,894,491
Unallocated liabilities	—	—	—	—	3,730
Total liabilities					9,898,221

	Unaudited Jan 31, 2013 (Restated) *				
	RB	WB	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)	1,244	11,576	12,531	20,696
Taxation expense	—	—	—	—	1,096
Net income for the period					19,600
Segment Assets	2,404,052	3,489,656	327,865	4,905,171	11,126,744
Unallocated assets	—	—	—	—	371,911
Total assets					11,498,655
Segment liabilities	2,845,723	2,284,572	4,200,703	539,471	9,870,469
Unallocated liabilities	—	—	—	—	3,436
Total liabilities					9,873,905

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Notes:

- On November 1, 2013 Corporate Lending & Investment Banking ("CLIB") Managing Director's Office was moved from Wholesale Banking and is now a sub-segment of the Chief Administrative Officer (reflected in Administration in segment note). The roles and functions remain unchanged.
- Segmental Note disclosure has been restated due to Implementation of IAS 19 "Employee Benefits", refer to Note 2. 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.

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, 2013, included in the Group's Annual Report 2013. 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, 2013, as approved by the Board of Directors in December 2013, in the amount of one point five United States cents per share (US\$0.015 per share) were paid.

2. Changes to Accounting policies

IAS 19 "Employee Benefits" – In June 2011, the IASB published an amended version of IAS 19 which became effective for the Company on November 1, 2013. The amendments require the following: (i) recognition of actuarial gains and losses in OCI in the period in which they arise; (ii) recognition of interest income on plan assets in net income using the same rate as that used to discount the retirement benefit obligation; and (iii) recognition of all past service costs (gains) in net income in the period in which they arise. We adopted the amendments to IAS 19 on a retrospective basis effective November 1, 2012. The increase (decrease) on the consolidated statement of financial position as a result of the retrospective application of the amendments to IAS 19 was as follows:

As at	2013 Jan. 31	2013 Oct. 31	2012 Oct. 31	2011 Nov. 1
Other assets:				
Retirement benefit assets	(12,942)	(9,202)	(12,980)	(13,570)
Other liabilities:				
Retirement benefit obligations	11,977	13,687	12,623	11,478
Retained earnings	5,950	10,702	5,024	—
Reserves	(30,859)	(33,591)	(30,633)	(25,048)

The increase (decrease) in the consolidated statement of net income and consolidated statement of comprehensive income as a result of the retrospective application of the amendments to IAS 19 was as follows:

	For the three months ended		For the year ended	
	2013 Jan. 31	2013 Oct. 31	2013 Oct. 31	2012 Oct. 31
Net income before taxes	952	2,933	5,804	5,010
Income taxes	36	40	154	(14)
Net income	916	2,893	5,650	5,024
Total OCI, net of taxes	(22,889)	(24,909)	(22,889)	(25,609)