



FirstCaribbean International Trust and Merchant Bank (Barbados) Limited

December 20, 2004

AUDITORS' REPORT

To the Shareholder of
FirstCaribbean International Trust and Merchant Bank (Barbados) Limited

We have audited the accompanying balance sheet of FirstCaribbean International Trust and Merchant Bank (Barbados) Limited ("the bank") as of October 31, 2004 and the related statements of income, changes in shareholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the bank as of October 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Price Waterhouse Coopers.
Chartered Accountants

BALANCE SHEET

As at October 31, 2004
(expressed in thousands of Barbados dollars)

	2004 \$	2003 \$
Assets		
Cash resources	7,019	21,579
Taxation recoverable	398	73
Other assets	15,283	11,006
Loans and advances	373,276	364,001
Net investment in leases	7,852	6,941
Retirement benefit assets	463	500
Property, plant and equipment	56	126
Total assets	404,347	404,226
Liabilities		
Deposits	316,250	328,806
Other liabilities	10,689	13,116
Deferred tax liability	178	153
Retirement benefit obligations	89	64
Total liabilities	327,206	342,139
Shareholder's equity		
Share capital	4,005	4,005
Reserves	12,537	12,537
Retained earnings	60,599	45,545
	77,141	62,087
Total shareholder's equity and liabilities	404,347	404,226

Approved by the Board of Directors on December 20, 2004

Michael Mansoor

Michael Mansoor
Chairman

John Riviere

John Riviere
Director

BOARD OF DIRECTORS: Michael K. Mansoor, Sir Fred Gollop, John Riviere, Andrew Ferreira, George B. St. John, Oliver Jordan

The above information is an extract from the full financial statements within the meaning of the related Banking Act, and is also available at our website www.firstcaribbeanbank.com. The full financial statements can be inspected on request.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended October 31, 2004
(expressed in thousands of Barbados dollars)

	Share capital \$	Reserves \$	Retained earnings \$	Total \$
Balance at October 31, 2002	4,005	12,537	28,752	45,294
Net income for the year	—	—	16,793	16,793
Balance at October 31, 2003	4,005	12,537	45,545	62,087
Net income for the year	—	—	15,054	15,054
Balance at October 31, 2004	4,005	12,537	60,599	77,141

STATEMENT OF INCOME

For the year ended October 31, 2004
(expressed in thousands of Barbados dollars)

	2004 \$	2003 \$
Interest income	32,593	32,394
Interest expense	8,369	10,357
Net interest income	24,224	22,037
Non-interest income	3,843	6,419
	28,067	28,456
Non-interest expenses	3,821	2,997
Provision for credit losses	1,584	153
	5,405	3,150
Income before taxation	22,662	25,306
Taxation	7,608	8,513
Net income for the year	15,054	16,793

STATEMENT OF CASH FLOWS

For the year ended October 31, 2004
(expressed in thousands of Barbados dollars)

	2004 \$	2003 \$
Cash flows from operating activities		
Income before taxation	22,662	25,306
Provision for credit losses	1,584	153
Depreciation	70	96
	24,316	25,555
Increase in loans, leases and advances, net of repayments	(11,770)	(4,027)
Increase in other assets/liabilities, net	(14,550)	(3,059)
Decrease in deposits	(12,556)	(39,779)
Net cash used in operating activities	(14,560)	(21,310)
Cash flows from investing activities		
Increase in property, plant and equipment, net of disposal	—	(1)
Net cash used in investing activities	—	(1)
Net decrease in cash and cash equivalents for the year	(14,560)	(21,311)
Cash and cash equivalents, beginning of year	21,579	42,890
Cash and cash equivalents, end of year	7,019	21,579