

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the Quarter ended January 31, 2006 (expressed in US dollars)



**FIRSTCARIBBEAN**  
INTERNATIONAL BANK

### CHAIRMAN'S REVIEW

For the period ended January 31, 2006

I am pleased to report another quarter of growth and expansion in your Bank. Not only have we completed the acquisition of the ABN AMRO Offshore and Wealth Management business in Curaçao and rebranded it under the FirstCaribbean umbrella, the first quarter of our fiscal year has shown very strong results in our core operations. Excluding the gain on sale of the Republic Bank shares of \$117 MM reported last year, our earnings were up 35% year-on-year.

Net income for the period was \$43.0 million as compared to \$31.8 million in the prior year (excluding the Republic Bank share gain). Net interest income has risen by \$6.7 million or 9% over the prior year as a result of increase in loan balances and improved US\$ rate spreads, despite the costs of our subordinated debt of \$2.6 million (which was issued in March 2005 to replace our preference shares).

Normalised operating income was \$5.3 million (17%) above the prior year, benefiting from strong performances in capital market transactions and returns from the outsourced investment portfolios.

Loan balances now stand just below the \$5.0 billion mark, reflecting year on year growth of \$974 million or 24%, a record for your institution. Total assets stand at \$9.6 billion.

Operating expenses were below the prior year by 1% and our efficiency ratio (ratio of costs to revenues) was 56.9%, reflecting our continued efforts to improve productivity and manage growth in an effective and efficient manner.

Annualised return on equity for the quarter was 20.8% versus 13.8% for 2005.

These results do not include the operations of our recently acquired business in Curaçao as this transaction was completed at the end of the quarter.

Based on current economic and market conditions continuing, management expects full year earnings to be in the range of 10.8 cents to 11.4 cents per share.

### Recent Event

The Board of Directors of FirstCaribbean was informed that CIBC and Barclays had signed a non-binding Letter of Intent ("LOI") under which CIBC would acquire Barclays 43.7% interest in FirstCaribbean at an anticipated share price of US\$1.62 with a total transaction value of approximately US\$1.08 billion. This LOI is subject to a number of conditions including the performance of due diligence and the negotiation and execution of definitive documentation. The transaction would also be conditional upon regulatory approvals.

Given the above, the Board deemed it appropriate to form a Special Committee of the Board, comprised of those directors of FirstCaribbean who are not affiliated with CIBC or Barclays (the "Independent Directors"), to review potential implications of the transaction, if any, on the company's minority shareholders. In this regard the Independent Directors, on behalf of the Board, have retained financial and legal advisors and will report to the Board. The Board will communicate with shareholders, as appropriate. For further information please refer to the press release issued by FirstCaribbean today.

Michael K. Mansoor  
Chairman

March 13, 2006

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained Earnings	Total Equity
<b>Balance at October 31, 2004</b>	1,297,349	(285,625)	195,379	1,207,103
Net income for the period			149,263	149,263
Dividends			(22,561)	(22,561)
Transfer to reserves		5,183	(5,183)	—
Foreign currency translation		(227)		(227)
Net change in available-for-sale investments securities		(118,507)		(118,507)
<b>Balance at January 31, 2005</b>	1,297,349	(399,176)	316,898	1,215,071
<b>Balance at October 31, 2005</b>	1,117,349	(380,748)	376,066	1,112,667
Net income for the period			43,017	43,017
Dividends			(33,934)	(33,934)
Transfer to reserves		8,118	(8,118)	—
Foreign currency translation		(860)		(860)
Net change in available-for-sale investments securities		(4,392)		(4,392)
Net change in cash flow hedges		4,350		4,350
<b>Balance at January 31, 2006</b>	1,117,349	(373,532)	377,031	1,120,848

### CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter Ended January 31, 2006	Unaudited Quarter Ended January 31, 2005	Audited October 31, 2005
Interest income	137,485	113,695	479,415
Interest expense	(53,145)	(36,019)	(168,664)
Net interest income	84,340	77,676	310,751
Operating income	36,998	149,060	235,817
	121,338	226,736	546,568
Operating expenses	68,993	69,741	262,172
Loan loss expenses	2,982	3,061	7,308
	71,975	72,802	269,480
Income before taxation and minority interest	49,363	153,934	277,088
Taxation	4,824	3,503	13,973
Income before minority interest	44,539	150,431	263,115
Minority interest	1,522	1,168	5,180
Net Income for the period	43,017	149,263	257,935
Average number of common shares outstanding (000's)	1,525,176	1,527,874	1,525,176
Net income per common share in cents			
— basic	2.8	9.8	16.9
— diluted	2.8	8.8	16.9

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Quarter ended January 31, 2006	Unaudited Quarter ended January 31, 2005	Audited October 31, 2005
Net cash (used in)/from operating activities	(190,156)	358,483	240,326
Net cash (used in)/from investing activities	(21,677)	(23,597)	278,752
Net cash (used in)/from financing activities	(36,287)	42,437	(59,740)
Net (decrease)/increase in cash and cash equivalents for the period	(248,120)	377,323	459,338
Cash and cash equivalents acquired as a result of an acquisition	—	—	4,701
Effect of exchange rate changes on cash and cash equivalents	(860)	(227)	(2,066)
Cash and cash equivalents, beginning of period	2,002,667	1,540,694	1,540,694
Cash and cash equivalents, end of period	1,753,687	1,917,790	2,002,667

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

### FORWARD-LOOKING STATEMENT DISCLOSURE

This report contains 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.firstcaribbeanbank.com](http://www.firstcaribbeanbank.com).

### CONSOLIDATED BALANCE SHEET

	Unaudited Quarter ended January 31, 2006	Unaudited Quarter ended January 31, 2005	Audited October 31, 2005
<b>Assets</b>			
Cash, balances with Central Banks and other banks	2,410,812	3,389,230	2,900,039
Trading securities	690,179	327,084	668,899
Loans and advances to customers	4,988,548	4,014,155	4,630,998
Investment securities	676,124	668,455	646,594
Property and equipment	142,509	153,117	148,956
Other assets	430,366	50,054	266,912
Goodwill	305,535	305,535	305,535
	9,644,073	8,907,630	9,567,933
<b>Liabilities</b>			
Customer deposits	7,866,328	7,640,222	7,771,743
Other liabilities	435,482	33,772	463,915
Debt securities in issue	200,330	—	198,274
	8,502,140	7,673,994	8,433,932
Minority interest	21,085	18,565	21,334
<b>Equity</b>			
Share capital & reserves	743,817	898,173	736,601
Retained earnings	377,031	316,898	376,066
	1,120,848	1,215,071	1,112,667
	9,644,073	8,907,630	9,567,933

Richard Venn  
Director

Sir Allan Fields  
Director