

FirstCaribbean International Bank Limited



FIRSTCARIBBEAN
INTERNATIONAL BANK

Consolidated Financial Statements

For the quarter ended January 31, 2011 (expressed in thousands of United States dollars)

CHAIRMAN'S REVIEW

Net income for the three months ended January 31, 2011 amounted to \$28 million, a decline against the comparative period last year of \$9 million. The Bank continues to be adversely affected by the slow global economic recovery with low interest rates, slow loan demand and business activity and delinquencies.

In the current environment, revenue generation remains a challenge and has declined year on year by \$13 million. Reductions in both loan and securities volumes and rates were the primary driver for the fall in net interest income of \$7 million, while the decline in operating income by \$6 million was due to lower securities gains and investment banking fee income.

Total expenses, including taxation, were down by \$4 million year on year driven by a reduction in loan loss impairment expenses by \$7 million; partially offset by increases in taxation by \$2 million as a result of higher income earned in taxable jurisdictions. Management's continued focus on controllable expenses has resulted in operating expenses remaining relatively flat year on year, despite contractual increases in salaries and wages pursuant to Union agreements.

The Bank's Tier I and Tier I & II capital ratios continue to be strong at 21% and 22% respectively which allows the Bank to be well poised to take advantage of future opportunities.

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

Michael K. Mansoor
Chairman

February 24, 2011

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.firstcaribbeanbank.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited January 31, 2011	Unaudited January 31, 2010	Audited October 31, 2010
Assets			
Cash, balances with Central Banks and due from banks	1,063,009	1,217,821	916,942
Financial assets at fair value through profit or loss	20,059	—	—
Loans and advances to customers	6,498,370	6,660,453	6,576,319
Investment securities	1,620,596	1,761,207	1,679,254
Property and equipment	123,781	121,811	126,520
Other assets	190,569	148,194	128,535
Intangible assets	337,848	340,804	338,587
Total assets	9,854,232	10,250,290	9,766,157
Liabilities			
Customer deposits and other borrowed funds	8,122,740	8,507,715	7,988,253
Financial liabilities at fair value through profit or loss	20,059	—	—
Other liabilities	127,114	108,706	173,556
Debt securities in issue	31,374	120,203	31,129
Total liabilities	8,301,287	8,736,624	8,192,938
Equity attributable to equity holders of the parent			
Issued capital and reserves	886,921	887,369	882,831
Retained earnings	636,501	597,964	660,680
	1,523,422	1,485,333	1,543,511
Non-controlling interests	29,523	28,333	29,708
Total equity	1,552,945	1,513,666	1,573,219
Total liabilities and equity	9,854,232	10,250,290	9,766,157

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

Michael K. Mansoor
Chairman

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, 2009	1,117,349	(246,768)	620,353	27,835	1,518,769
Total comprehensive income for the period	—	4,238	35,090	1,418	40,746
Transfer to reserves	—	12,550	(12,550)	—	—
Equity dividends	—	—	(44,929)	—	(44,929)
Dividends of subsidiaries	—	—	—	(920)	(920)
Balance at January 31, 2010	1,117,349	(229,980)	597,964	28,333	1,513,666
Balance at October 31, 2010	1,117,349	(234,518)	660,680	29,708	1,573,219
Total comprehensive (loss)/income for the period	—	(2,316)	27,156	678	25,518
Transfer to reserves	—	6,406	(6,406)	—	—
Equity dividends	—	—	(44,929)	—	(44,929)
Dividends of subsidiaries	—	—	—	(863)	(863)
Balance at January 31, 2011	1,117,349	(230,428)	636,501	29,523	1,552,945

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, 2011	Unaudited Period ended January 31, 2010	Audited Year ended October 31, 2010
Interest and similar income	127,585	137,367	526,915
Interest and similar expense	32,922	36,004	139,874
Net interest income	94,663	101,363	387,041
Operating income	31,785	38,165	164,733
	126,448	139,528	551,774
Operating expenses	79,046	78,303	317,316
Loan loss impairment	14,855	21,636	61,766
Amortisation of intangible assets	743	743	2,963
	94,644	100,682	382,045
Income before taxation	31,804	38,846	169,729
Income tax expense	3,931	1,871	12,297
Net income for the period	27,873	36,975	157,432
Attributable to:			
Equity holders of the parent	27,156	35,871	154,197
Non-controlling interests	717	1,104	3,235
	27,873	36,975	157,432

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

- basic and diluted	1.8	2.4	10.1
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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, 2011	Unaudited Period ended January 31, 2010	Audited Year ended October 31, 2010
Net income for the period	27,873	36,975	157,432
Other comprehensive income:			
Net (losses) / gains on available-for-sale investment securities, net of tax	(1,647)	4,578	(14,539)
Exchange differences on translation of foreign operations, net of tax	(708)	(807)	3,197
Other comprehensive (loss) / income for the period, net of tax	(2,355)	3,771	(11,342)
Total comprehensive income for the period, net of tax	25,518	40,746	146,090
Attributable to:			
Equity holders of the parent	24,840	39,328	142,434
Non-controlling interests	678	1,418	3,656
	25,518	40,746	146,090

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, 2011	Unaudited Period ended January 31, 2010	Audited Year ended October 31, 2010
Net cash from / (used) in operating activities	146,566	288,836	(72,041)
Net cash from investing activities	72,982	11,905	162,348
Net cash used in financing activities	(26,113)	(51,040)	(184,564)
Net increase / (decrease) in cash and cash equivalents for the period	193,435	249,701	(94,257)
Effect of exchange rate changes on cash and cash equivalents	(708)	(807)	3,197
Cash and cash equivalents, beginning of the period	536,357	627,417	627,417
Cash and cash equivalents, end of the period	729,084	876,311	536,357

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Summary of significant accounting policies

Basis of presentation

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, 2010, included in the Group's Annual Report 2010. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

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.

Transactions affecting year on year comparisons

Debt securities in issue

The Bank fully repaid debt securities outstanding in the Cayman subsidiary.

Dividends

During the quarter, the final dividends for the fiscal year ended October 31, 2010, as approved by the Board of Directors on December 15, 2010, in the amount of three United States cents per share (US\$0.03 per share) were paid.