

FirstCaribbean International Bank (Barbados) Ltd.

Consolidated Financial Statements

October 31, 2002

(expressed in thousands of Barbados dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

Auditors' Report

To the Shareholder of

FirstCaribbean International Bank (Barbados) Limited

We have audited the accompanying consolidated balance sheet of FirstCaribbean International Bank (Barbados) Limited ("the Bank") as at October 31, 2002 and the related consolidated statements of income, changes in shareholder's equity/ head office account and cash flows for the 10 month period then ended. These consolidated financial statements are the responsibility of the company'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.

The financial statements as of December 31, 2001 and for the year then ended, which are presented for comparative purposes, are unaudited.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company as at October 31, 2002 and the results of its operations and its cash flows for the period then ended in accordance with International Accounting Standards.

P. Newkirk & Coopers

Chartered Accountants

February 4th, 2003

St. Michael, Barbados

CONSOLIDATED STATEMENT OF INCOME (expressed in thousands of Barbados dollars)

	Notes	10 month period ended October 31, 2002 \$	Year ended December 31, 2001 (Unaudited) \$
Interest income	16	154,430	213,007
Interest expense		54,777	85,490
Net interest income		99,653	127,517
Non-interest income	17	43,161	56,464
Total Revenue		142,814	183,981
Non-interest expenses	18	105,970	110,968
Provision for credit losses		6,448	27,833
Restructuring charges	19	21,748	-
Negative goodwill amortisation		(56)	-
		134,110	138,801
Income before taxation		8,704	45,180
Taxation	21	130	11,904
Net income for the period		8,574	33,276

CONSOLIDATED STATEMENT OF CASH FLOWS (expressed in thousands of Barbados dollars)

	10 month period ended October 31 2002 \$	Year ended December 31 2001 (Unaudited) \$
Cash flows from operating activities		
Income before taxation	8,704	45,180
Provision for credit losses	6,448	27,833
Depreciation	13,346	8,509
Goodwill amortisation	(56)	-
	28,442	81,522
Increase/(decrease) in due from other banks	66,548	(249,906)
Increase/(decrease) in loans and advances, net of repayments	(14,068)	174,037
Increase in other assets/liabilities, net	(8,541)	(2,486)
Decrease in deposits, net of withdrawals	(62,728)	(151,214)
Cash from/(used in) operating activities	9,653	(148,047)
Corporate taxes paid	(11,354)	(14,513)
Net used in operating activities	(1,701)	(162,560)
Cash flows from investing activities		
Increase/(decrease) in property, plant and equipment, net of disposals	(11,118)	464
Decrease/(increase) in securities, net of disposals	27,349	(75,682)
Net cash from/(used in) investing activities	16,231	(75,218)
Cash flows from financing activities		
Remittances to head office	-	(22,241)
Net cash used in financing activities	-	(22,241)
Net increase/(decrease) in cash and cash equivalents for the period	14,530	(260,019)
Cash and cash equivalents acquired as a result of business combination (note 27)	285,288	-
Cash and cash equivalents, beginning of period	279,151	539,170
Cash and cash equivalents, end of period (note 3)	578,969	279,151

BOARD OF DIRECTORS

Michael Mansoor Sir Fred Gollop Horace Cobham Wendy Harrison
Ivan Browne John Riviere Andrew Ferreira

This page is an extract from the full financial statements within the meaning of section 45 of the Financial Institutions Act, 1996. Full financial statements can be inspected on request.

CONSOLIDATED BALANCE SHEET As of October 31, 2002 (expressed in thousands of Barbados dollars)

	Notes	October 31 2002 \$	December 31 2001 (Unaudited) \$
Assets			
Cash resources	3	730,281	422,198
Due from other banks	4	132,136	120,485
Investment securities	5	470,712	303,760
Loans and advances	6	2,599,640	1,649,790
Net investment in leases	7	3,000	1,032
Other assets	8	123,811	111,900
Negative goodwill	9	(18,092)	-
Property, plant and equipment	10	117,230	59,611
Total assets		4,158,718	2,668,776
Liabilities			
Deposits	11	3,684,710	2,459,616
Other liabilities	12	163,791	134,868
Total liabilities		3,848,501	2,594,484
Shareholder's equity			
Share capital and reserves	15	260,066	35,416
Retained earnings		50,151	11,742
Due to head office		-	27,134
Total shareholder's equity		310,217	74,292
Total liabilities and shareholder's equity		4,158,718	2,668,776

Approved by the Board of Directors on February 4, 2003

Michael Mansoor

Michael Mansoor
Chairman

John Riviere

John Riviere
Director

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY/HEAD OFFICE ACCOUNT (expressed in thousands of Barbados dollars)

	Notes	Share/ Assigned capital \$	Reserves \$	Retained earnings \$	Due to head office \$	Total \$
Balance at December 31, 2000 (Unaudited)		13,929	13,992	3,655	27,538	59,114
Net income for the year		-	-	4,997	28,279	33,276
Transfer to reserve fund		-	3,352	-	(3,352)	-
Transfers to head office		-	-	-	(25,331)	(25,331)
Dividends waived		-	4,143	3,090	-	7,233
Balance at December 31, 2001 (Unaudited)		13,929	21,487	11,742	27,134	74,292
Shares of CIBC Caribbean issued and outstanding beginning of period	13	75,000	-	-	-	75,000
Issuance of common shares	13	516,396	-	-	-	516,396
Capital contribution	13	44,000	-	-	-	44,000
Cancellation of opening share capital and assigned capital	13	(13,929)	-	-	10,868	(3,061)
Dividends waived		-	-	1,936	-	1,936
Transfers to head office		-	-	(1,712)	(7,574)	(9,286)
Transfer to retained earnings		-	-	30,428	(30,428)	-
Statutory and revaluation reserves from entities acquired	15	-	36,887	-	-	36,887
Reverse acquisition reserve	15	-	(434,521)	-	-	(434,521)
Net income for the period		-	-	8,574	-	8,574
Transfer to reserves		-	817	(817)	-	-
Balance at October 31, 2002		635,396	(375,330)	50,151	-	310,217

The above information is also available on our website at www.firstcaribbeanbank.com.

Job # : 56393
Client : FIRSTCARIBBEAN
Product : ?? FINANCIALS
Job Name :
Media : Press - Bdos Advocate
Size : 10.375" x 14"
Color : BW
Modified : 8/7/03
QA Artist : NA