

FirstCaribbean International Bank (Jamaica) Limited

Condensed Unaudited Consolidated Financial Statements

For the Six Months ended April 30, 2008 (expressed in thousands of Jamaican dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

For the six months ended April 30, 2008

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$354 million for the six month period ended April 30, 2008, compared to \$395 million for the prior year period. The prior year's comparative included a one-time gain of \$82 million (\$55 million net of tax) in relation to changes of policy in health benefits.

The Group was unable to claim hedge accounting for certain interest rate hedges and the related loss in this six month period was \$121 million (\$80 million net of tax). Excluding all one-off items, NIAT increased by \$94 million or 28% over the prior year's comparative. The Bank's core business segments continue to perform according to expectations.

Net interest income for the six months ended April 30, 2008 was \$1,420 million, representing an increase of \$72 million or 5% over prior period. Total revenue for the six months were \$1,660 million compared to \$1,605 million for the comparable period in 2007. Excluding the loss related to the hedge accounting, core revenues increased by \$176 million or 11% over the prior period. Non-interest expenses increased by \$72 million or 7%.

Total assets stood at \$45,195 million as at April 30, 2008 compared to \$40,368 million as at April 30, 2007. Loans and advances to customers amounted to \$29,117 million reflecting a year on year growth of \$912 million or 3%. We are satisfied with the quality of our loan portfolio. Customer Deposits of \$36,483 million grew by \$3,941 million or 12%.

As at April 30, 2008 Stockholders' Equity stood at \$5,937 million registering a 13% increase over the prior year's balance of \$5,251 million. In the previous quarter, the Board approved the transfer of \$470 million from Retained Earnings to Statutory Reserve Fund to strengthen our capital base and increase our lending capacity. In order to support the continued growth of business, the Board recommended that no dividend be paid for the quarter.

The Board, management and staff will continue to monitor the economic conditions and take the necessary steps to ensure that the interests of all our stakeholders are promoted in these circumstances.

I thank our customers, employees, shareholders and other stakeholders for their contribution and continued support.

Michael K. Mansoor
Chairman

June 11, 2008

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 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 (Jamaica) Limited, please read FirstCaribbean International Bank (Jamaica) Limited's financial and other reports that are available on the company's website at www.firstcaribbeanbank.com.

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited April 30, 2008	Restated Unaudited April 30, 2007	Audited October 31, 2007
Assets			
Cash and balances with Central Bank	9,039,806	6,003,384	4,782,173
Loans and advances to banks	2,643,942	2,464,494	1,505,349
Other assets	1,372,873	740,662	1,500,359
Investment securities	1,629,045	1,497,573	924,855
Government securities purchased under resale agreements	—	198,154	212,077
Loans and advances to customers	29,117,162	28,205,400	31,409,506
Property, plant and equipment	498,445	481,266	502,565
Deferred tax assets	5,704	1,939	4,499
Retirement benefit assets	887,796	775,506	829,800
Total assets	45,194,773	40,368,378	41,671,183
Liabilities			
Customer deposits	36,482,557	32,541,510	33,523,005
Other liabilities	888,436	786,579	652,101
Taxation payable	93,652	52,180	81,681
Deferred tax liabilities	203,563	176,752	218,430
Retirement benefit obligations	70,516	53,606	76,090
Debt securities in issue	1,519,075	1,507,223	1,502,217
Total liabilities	39,257,799	35,117,850	36,053,524
Stockholders' Equity			
Share capital and reserves	5,172,828	4,612,457	4,738,001
Retained earnings	764,146	638,071	879,658
Total equity	5,936,974	5,250,528	5,617,659
Total stockholder's equity and liabilities	45,194,773	40,368,378	41,671,183

Michael Mansoor
Chairman

Milton Brady
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended April 30, 2008	Unaudited Six months ended April 30, 2008	Unaudited Quarter ended April 30, 2007	Restated Unaudited Six months ended April 30, 2007	Audited Year ended October 31, 2007
Interest income	1,175,884	2,381,549	1,122,203	2,106,409	4,348,608
Interest expenses	(477,910)	(961,537)	(409,574)	(758,755)	(1,748,674)
Net interest income	697,974	1,420,012	712,629	1,347,654	2,599,934
Non-interest income	112,181	240,289	111,171	257,438	681,559
Total revenues	810,155	1,660,301	823,800	1,605,092	3,281,493
Non-interest expenses	(564,076)	(1,059,936)	(563,314)	(988,376)	(2,009,620)
Loan loss impairment	(37,688)	(79,486)	(22,176)	(50,024)	(122,293)
	(601,764)	(1,139,422)	(585,490)	(1,038,400)	(2,131,913)
Income before taxation	208,391	520,879	238,310	566,692	1,149,580
Taxation	(59,040)	(166,391)	(69,306)	(171,985)	(378,457)
Net income for the period	149,351	354,488	169,004	394,707	771,123
Weighted average number of common shares outstanding (000's)	265,757	265,757	265,757	265,757	265,757
Net income per common share in cents	56.2	133.4	63.6	148.5	290.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended April 30, 2008	Restated Unaudited Six months ended April 30, 2007	Audited Year ended October 31, 2007
Net cash provided by/(used in) operating activities	6,132,810	757,745	(2,425,878)
Net cash (used in)/provided by investing activities	(631,596)	344,395	830,078
Net cash provided by financing activities	—	1,500,000	1,500,000
Net increase/(decrease) in cash and cash equivalents	5,501,214	2,602,140	(95,800)
Effect of exchange rate changes on cash and cash equivalents	107,594	94,842	286,016
Cash and cash equivalents, beginning of period	3,610,007	3,419,791	3,419,791
Cash and cash equivalents, end of period	9,218,815	6,116,773	3,610,007

SEGMENT REPORTING

	Retail Banking	Corporate Banking	Other Financial Services	Unallocated Support Unit Costs	Eliminations	Group
April 30, 2008						
External revenues	704,758	1,399,475	267,441	(93,866)	—	2,277,808
Revenues from other segments	254,085	(45,069)	493,018	(177,930)	(180,074)	344,030
Total revenues	958,843	1,354,406	760,459	(271,796)	(180,074)	2,621,838
Segment result	80,122	868,394	96,311	(523,948)	—	520,879
Taxation						(166,391)
Net income for the period						354,488
Segment assets	25,466,470	21,997,612	1,656,088	—	(3,931,101)	45,189,069
Unallocated assets						5,704
Total assets						45,194,773
Segment liabilities	18,629,432	18,718,063	5,180,190	—	(3,567,101)	38,960,584
Unallocated liabilities						297,215
Total liabilities						39,257,799
Other segment items:						
Capital expenditure	10,667	277	44,568	—	—	55,512
Depreciation	18,162	291	45,200	—	—	63,653
Loan loss expenses	52,249	27,237	—	—	—	79,486
April 30, 2007						
External revenues	749,344	1,050,295	281,373	18,582	—	2,099,594
Revenues from other segments	246,497	(70,759)	287,769	(76,666)	(122,588)	264,253
Total revenues	995,841	979,536	569,142	(58,084)	(122,588)	2,363,847
Segment result	171,378	565,062	153,080	(322,828)	—	566,692
Taxation						(171,985)
Net income for the period						394,707
Segment assets	23,835,734	17,838,406	1,737,076	—	(3,044,777)	40,366,439
Unallocated assets						1,939
Total assets						40,368,378
Segment liabilities	17,333,224	15,421,000	4,815,471	—	(2,680,777)	34,888,918
Unallocated liabilities						228,932
Total liabilities						35,117,850
Other segment items:						
Capital expenditure	50,170	246	59,551	—	—	109,967
Depreciation	8,250	188	59,991	—	—	68,429
Loan loss expenses	44,497	17,472	(11,945)	—	—	50,024

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares (000)	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve Fund \$'000	Retained Earnings Reserve \$'000	Building Society's Reserve \$'000	Loan Loss Reserve \$'000	Fair Value Reserve \$'000	Total Share Capital & Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as restated November 1, 2006	265,757	1,396,667	12,833	696,667	1,776,163	45,522	188,919	27,622	4,144,393	703,364	4,847,757
Net income	—	—	—	—	—	—	—	—	—	394,707	394,707
Transfer to statutory reserve fund	—	—	—	460,000	—	—	—	—	460,000	(460,000)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	8,064	8,064	—	8,064
Balance as at April 30, 2007	265,757	1,396,667	12,833	1,156,667	1,776,163	45,522	188,919	35,686	4,612,457	638,071	5,250,528
Balance as at November 1, 2007	265,757	1,396,667	12,833	1,156,667	1,776,163	45,522	323,748	26,401	4,738,001	879,658	5,617,659
Net income	—	—	—	—	—	—	—	—	—	354,488	354,488
Transfer to statutory reserve fund	—	—	—	470,000	—	—	—	—	470,000	(470,000)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(35,173)	(35,173)	—	(35,173)
Balance as at April 30, 2008	265,757	1,396,667	12,833	1,626,667	1,776,163	45,522	323,748	(8,772)	5,172,828	764,146	5,936,974

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed financial statements of FirstCaribbean International Bank (Jamaica) Limited (the Group) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2007. 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. Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the condensed consolidated financial statements for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of results of the entire year. In preparing these 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

Change in post retirement medical benefits

Effective January 1, 2007 certain changes to the Group's health benefit scheme were made which resulted in the recognition of a curtailment gain of \$82.2 million (before taxes) in prior year.

Hedge accounting

At the end of last fiscal, a review of the Group's hedge accounting revealed that one of the criteria was not fully met and this resulted in an adjustment to the 2007 results and a restatement of the 2006 results. As a consequence, the April 30, 2007 comparative numbers have been restated to reflect this adjustment. Opening retained earnings for 2007 has been reduced by \$27.3 million, total assets were reduced by \$44.7 million, total liabilities were reduced by \$14.9 million and net income by \$2.5 million.

For the six month period, the loss due to hedge ineffectiveness was \$121 million (\$80 million net of tax). The Group has reinstated these hedges from an accounting perspective. In addition, certain hedges were not fully effective during the period.

Segment reporting

During the first quarter of 2008, as part of our customer segmentation, certain assets and liabilities associated income and expenses previously classified as Premier Banking within the Retail Segment were transferred to the Wealth Management Segment, which is included in Other Financial Services. The Group's operations are located solely in Jamaica.