

FirstCaribbean International Bank (Jamaica) Limited

Unaudited Consolidated Financial Statements

For the nine months ended July 31, 2009 (expressed in thousands of Jamaican dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

For the nine months ended July 31, 2009

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$781 million for the nine-month period ended July 31, 2009, up by 23% compared to \$636 million reported for the prior year period.

Non-interest income increased by 117%, primarily due to gains totaling \$135 million realized on the sale of investment securities. Fee income increased by \$131 million mainly due to increased underwriting and syndication activities. Prior year results include a \$127 million loss as the group was unable to claim hedge accounting for certain interest rate hedges. The Group has since reinstated these hedges from an accounting perspective and year to date results include a gain of \$68 million.

Net interest income for the nine month period was \$2.42 billion, representing an increase of \$178 million or 7.9% over prior year and was largely driven by growth in our loan volumes. Total revenues for the nine months were \$3.29 billion compared to \$2.65 billion in 2008. Non-interest expense for the nine months was \$1.93 billion (\$1.62 billion for the period ended July 31, 2008). This increase was driven primarily by higher remuneration expenses pursuant to contractual agreements with employees. Loan loss expense rose by \$97 million over prior year, resulting directly from the economic challenges being faced by our valued customers, stemming from the current world economic recession.

Total assets stood at \$53.56 billion as at July 31, 2009 compared to \$48.57 billion as at July 31, 2008. Net loans and advances to customers amounted to \$35.24 billion reflecting a year on year growth of \$3.09 billion or 9.6%. Customer deposits amounted to \$44.21 billion, reflecting an increase of \$4.72 billion or 12%.

As at July 31, 2009 Stockholders' Equity stood at \$7.24 billion, representing a 17.5% increase over the prior year's balance of \$6.17 billion.

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

September 10, 2009

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 (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.

CONSOLIDATED BALANCE SHEET

	Unaudited July 31, 2009	Unaudited July 31, 2008	Audited October 31, 2008
Assets			
Cash and balances with Central Bank	7,498,363	9,133,501	8,283,849
Due from other banks	5,193,419	2,850,826	1,865,287
Investment securities	2,150,150	1,315,577	1,101,528
Government securities purchased under resale agreements	253,422	239,387	262,066
Loans and advances to customers	35,246,533	32,156,669	34,936,630
Property, plant and equipment	611,305	513,575	549,935
Deferred tax assets	8,590	6,302	9,644
Retirement benefit assets	881,344	916,794	824,680
Other assets	1,720,631	1,440,939	1,792,449
Total assets	53,563,757	48,573,570	49,626,068
Liabilities			
Customer deposits	44,214,609	39,490,709	41,368,967
Taxation payable	166,029	169,424	211,871
Deferred tax liabilities	199,763	194,517	182,756
Retirement benefit obligations	58,472	67,729	57,180
Debt securities in issue	528,427	1,557,225	499,950
Other liabilities	1,156,491	924,106	858,201
Total liabilities	46,316,991	42,403,710	43,178,925
Stockholders' Equity			
Share capital	1,396,667	1,396,667	1,396,667
Reserves	4,573,108	3,727,159	4,312,247
Retained earnings	1,276,991	1,046,034	738,229
Total equity	7,246,766	6,169,860	6,447,143
Total stockholders' equity and liabilities	53,563,757	48,573,570	49,626,068

Michael Mansoor
Chairman

Clovis Metcalfe
Managing Director

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares ('000)	Share Capital J\$'000	Capital Reserve J\$'000	Statutory Reserve Fund J\$'000	Retained Earnings Reserve J\$'000	Building Society's Reserve J\$'000	Loan Loss Reserve J\$'000	Fair Value Reserve J\$'000	Total Share Capital & Reserves J\$'000	Retained Earnings J\$'000	Total Equity J\$'000
Balance as as 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	—	—	—	—	—	—	—	—	—	636,376	636,376
Transfer to statutory reserve fund	—	—	—	470,000	—	—	—	—	470,000	(470,000)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(84,175)	(84,175)	—	(84,175)
Balance as at July 31, 2008	265,757	1,396,667	12,833	1,626,667	1,776,163	45,522	323,748	(57,774)	5,123,826	1,046,034	6,169,860
Balance as at November 1, 2008	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	360,230	20,832	5,708,914	738,229	6,447,143
Net income	—	—	—	—	—	—	—	—	—	781,421	781,421
Transfer to loan loss reserve	—	—	—	—	—	—	242,659	—	242,659	(242,659)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	18,202	18,202	—	18,202
Balance as at July 31, 2009	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	602,889	39,034	5,969,775	1,276,991	7,246,766

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, 2008. 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.

CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended July 31, 2009	Unaudited Nine months ended July 31, 2009	Unaudited Quarter ended July 31, 2008	Unaudited Nine months ended July 31, 2008	Audited Year ended October 31, 2008
Interest income	1,338,282	4,026,233	1,286,740	3,668,289	4,977,464
Interest expenses	(507,499)	(1,600,796)	(459,027)	(1,420,564)	(1,882,011)
Net interest income	830,783	2,425,437	827,713	2,247,725	3,095,453
Non-interest income	219,103	868,823	160,888	401,177	594,480
Total revenues	1,049,886	3,294,260	988,601	2,648,902	3,689,933
Non-revenue expenses	(659,093)	(1,927,942)	(556,777)	(1,616,714)	(2,312,495)
Loan loss impairment	(114,553)	(185,001)	(8,354)	(87,840)	(130,961)
	(773,646)	(2,112,943)	(565,131)	(1,704,554)	(2,443,456)
Income before taxation	276,240	1,181,317	423,470	944,348	1,246,477
Taxation	(96,673)	(399,896)	(141,581)	(307,972)	(411,424)
Net income for the period	179,567	781,421	281,889	636,376	835,053
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	67.6	294.0	106.1	239.5	314.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months ended July 31, 2009	Unaudited Nine months ended July 31, 2008	Audited Year ended October 31, 2008
Net cash provided by operating activities	1,984,423	6,313,103	5,006,980
Net cash used in investing activities	(1,160,025)	(597,561)	(376,170)
Net cash used in financing activities	—	—	(1,000,050)
Net increase in cash and cash equivalents	824,398	5,715,542	3,630,760
Effect of exchange rate changes on cash and cash equivalents	796,288	8,343	61,745
Cash and cash equivalents, beginning of period	7,302,512	3,610,007	3,610,007
Cash and cash equivalents, end of period	8,923,198	9,333,892	7,302,512

SEGMENT FINANCIAL INFORMATION

	Retail & Wealth	Corporate Investment Banking	Treasury Sales & Trading	Strategic Support Units	Eliminations	Group
July 31, 2009						
External revenues	1,229,797	2,614,941	926,855	123,463	—	4,895,056
Revenues from other segments	349,985	(302,339)	232,179	—	(279,825)	—
Total revenues	1,579,782	2,312,602	1,159,034	123,463	(279,825)	4,895,056
Segment result	165,862	1,198,583	488,533	(671,661)	—	1,181,317
Taxation	—	—	—	—	—	(399,896)
Net income for the period						781,421
Segment assets	12,540,117	22,996,896	18,522,235	3,044,882	(3,548,963)	53,555,167
Unallocated assets	—	—	—	—	—	8,590
Total assets						53,563,757
Segment liabilities	19,557,116	18,090,032	10,422,056	948,881	(3,066,886)	45,951,199
Unallocated liabilities	—	—	—	—	—	365,792
Total liabilities						46,316,991
Other segment items:						
Capital expenditure	41,276	235	1,808	103,204	—	146,523
Depreciation	43,483	657	3,849	32,873	—	80,862
Loan loss expenses	117,832	67,169	—	—	—	185,001
July 31, 2008						
External revenues	1,150,871	2,130,361	869,598	(81,364)	—	4,069,465
Revenues from other segments	312,531	(64,970)	30,342	—	(277,904)	—
Total revenues	1,463,402	2,065,391	899,940	(81,364)	(277,904)	4,069,465
Segment result	277,146	1,212,549	131,141	(676,489)	—	944,348
Taxation	—	—	—	—	—	(307,972)
Net income for the period						636,376
Segment assets	12,141,335	20,733,500	14,597,212	5,294,036	(4,198,815)	48,567,268
Unallocated assets	—	—	—	—	—	6,302
Total assets						48,573,570
Segment liabilities	16,995,942	19,601,398	8,829,254	440,958	(3,827,783)	42,039,769
Unallocated liabilities	—	—	—	—	—	363,941
Total liabilities						42,403,710
Other segment items:						
Capital expenditure	21,320	810	2,027	77,327	—	101,484
Depreciation	29,010	562	2,959	55,334	—	87,865
Loan loss expenses	56,737	31,103	—	—	—	87,840

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

Segment reporting

Effective November 1, 2008, certain changes were made to the bank's organisation structure. These changes were designed to better align the organisation structure to the business strategy. Wealth Management and the Cards Issuing business, previously reported in 'Other Financial Services' have now been merged with Retail Banking to form the Retail and Wealth unit. Capital Markets unit previously reported in 'Other Financial Services' have now been merged with Corporate Banking to form the Corporate Investment Banking unit. As a result, the reporting segments were streamlined and merged, resulting in the reclassification of certain assets and liabilities and their associated income and expenses. Comparatives for the prior year were restated to reflect the new segment results.

The Group's operations are located solely in Jamaica.