

FirstCaribbean International Bank (Jamaica) Limited

Condensed Unaudited Consolidated Financial Statements

For the Year ended October 31, 2009 (expressed in thousands of Jamaican dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

For the year ended October 31, 2009

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$886 million for the year ended October 31, 2009, up by 6.1% compared to \$835 million reported for the prior year.

Non-interest income increased by \$462 million or 77.8% compared to prior year. Gains totaling \$135 million were realized on the sale of investment securities. Fee income increased by \$91 million or 17.7% resulting from increased underwriting and syndication activities. Prior year results include a \$160 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 this year's results include a gain of \$104 million.

Net interest income for the year was \$3.3 billion, representing an increase of \$205 million or 6.6% over prior year and was largely driven by growth in average loan balances during the course of the year. Total revenues for the year were \$4.4 billion compared to \$3.7 billion in 2008. Non-interest expenses increased by \$288 million or 12.5% due primarily to higher remuneration expenses pursuant to contractual agreements. Loan Loss expenses rose by \$318 million and this reflects in the main the impact of the prevailing economic conditions.

Total assets stood at \$52.6 billion as at October 31, 2009 compared to \$49.6 billion as at October 31, 2008. Net loans and advances to customers amounted to \$34.4 billion which is marginally lower than prior year by 1.6%. Customer deposits amounted to \$43.9 billion, reflecting an increase of \$2.53 billion or 6.1%.

As at October 31, 2009 Stockholders' Equity stood at \$7.2 billion, representing a 12.5% increase over the prior year's balance of \$6.4 billion. A dividend of 40 cents per share was paid to shareholders on October 29, 2009.

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

December 8, 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 terrorists 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 October 31, 2009 | Audited October 31, 2008 |
|---|-------------------------------|-----------------------------|
| Assets | | |
| Cash and balances with Central Bank | 7,814,217 | 8,283,849 |
| Due from other banks | 5,172,697 | 1,976,639 |
| Investment securities | 2,294,308 | 1,101,528 |
| Government securities purchased under resale agreements | 252,024 | 262,066 |
| Loans and advances to customers | 34,385,404 | 34,936,630 |
| Property, plant and equipment | 654,000 | 549,935 |
| Deferred tax assets | 7,090 | 9,644 |
| Retirement benefit assets | 874,124 | 824,680 |
| Other assets | 1,201,986 | 1,681,097 |
| Total assets | 52,655,850 | 49,626,068 |
| Liabilities | | |
| Customer deposits | 43,900,172 | 41,368,967 |
| Taxation payable | 85,938 | 211,871 |
| Deferred tax liabilities | 216,276 | 182,756 |
| Retirement benefit obligations | 39,330 | 57,180 |
| Debt securities in issue | — | 499,950 |
| Other liabilities | 1,157,971 | 858,201 |
| Total liabilities | 45,399,687 | 43,178,925 |
| Stockholders' Equity | | |
| Share capital | 1,396,667 | 1,396,667 |
| Reserves | 4,583,571 | 4,312,247 |
| Retained earnings | 1,275,925 | 738,229 |
| Total equity | 7,256,163 | 6,447,143 |
| Total stockholders' equity and liabilities | 52,655,850 | 49,626,068 |

Michael Mansoor
Chairman

Clovis Metcalfe
Managing Director

CONSOLIDATED STATEMENT OF INCOME

| | Unaudited Quarter ended October 31, 2009 | Unaudited Year ended October 31, 2009 | Unaudited Quarter ended October 31, 2008 | Audited Year ended October 31, 2008 |
|--|--|---|--|---|
| Interest income | 1,274,974 | 5,220,049 | 1,313,458 | 4,981,749 |
| Interest expenses | (400,238) | (1,919,876) | (465,732) | (1,886,296) |
| Net interest income | 874,736 | 3,300,173 | 847,726 | 3,095,453 |
| Non-interest income | 187,883 | 1,056,706 | 193,304 | 594,480 |
| Total revenues | 1,062,619 | 4,356,879 | 1,041,030 | 3,689,933 |
| Non-interest expenses | (672,791) | (2,600,733) | (695,781) | (2,312,495) |
| Loan loss impairment | (263,858) | (448,859) | (43,121) | (130,961) |
| | (936,649) | (3,049,592) | (738,902) | (2,443,456) |
| Income before taxation | 125,970 | 1,307,287 | 302,128 | 1,246,477 |
| Taxation | (20,733) | (420,629) | (103,451) | (411,424) |
| Net income for the period | 105,237 | 886,658 | 198,677 | 835,053 |
| Weighted average number of common shares outstanding (000's) | 265,757 | 265,757 | 265,757 | 265,757 |
| Net income per common share in cents | 39.6 | 333.6 | 74.8 | 314.2 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited Year ended October 31, 2009 | Audited Year ended October 31, 2008 |
|--|---|---|
| Net cash provided by operating activities | 2,801,331 | 5,118,332 |
| Net cash used in investing activities | (1,317,874) | (376,170) |
| Net cash used in financing activities | (606,253) | (1,000,050) |
| Net increase in cash and cash equivalents | 877,204 | 3,742,112 |
| Effect of exchange rate changes on cash and cash equivalents | 1,054,506 | 61,745 |
| Cash and cash equivalents, beginning of period | 7,413,864 | 3,610,007 |
| Cash and cash equivalents, end of period | 9,345,574 | 7,413,864 |

SEGMENT REPORTING

| | Retail Banking | Corporate Banking | Other Financial Services | Unallocated Support Unit Costs | Eliminations | Group |
|----------------------------------|-------------------|----------------------|--------------------------------|--------------------------------------|------------------|-------------------|
| October 31, 2009 | | | | | | |
| External revenues | 2,029,357 | 3,033,683 | 1,026,908 | 186,807 | — | 6,276,755 |
| Revenues from other segments | (314,643) | (961,911) | 1,608,922 | — | (332,368) | — |
| Total revenues | 1,714,714 | 2,071,772 | 2,635,830 | 186,807 | (332,368) | 6,276,755 |
| Segment result | (679,094) | 918,947 | 1,993,630 | (926,196) | — | 1,307,287 |
| Taxation | | | | | | (420,629) |
| Net income for the period | | | | | | 886,658 |
| Segment assets | 12,240,120 | 22,361,376 | 18,517,970 | 2,756,308 | (3,227,014) | 52,648,760 |
| Unallocated assets | | | | | | 7,090 |
| Total assets | | | | | | 52,655,850 |
| Segment liabilities | 19,805,893 | 11,573,273 | 15,921,480 | 540,941 | (2,744,114) | 45,097,473 |
| Unallocated liabilities | | | | | | 302,214 |
| Total liabilities | | | | | | 45,399,687 |
| Other segment items: | | | | | | |
| Capital expenditure | 102,547 | 7,905 | 1,808 | 105,567 | — | 217,827 |
| Depreciation | 46,287 | 1,065 | 5,040 | 56,871 | — | 109,263 |
| Loan loss expenses | 237,015 | 211,844 | — | — | — | 448,859 |
| October 31, 2008 | | | | | | |
| External revenues | 1,958,774 | 2,822,398 | 899,734 | (104,677) | — | 5,576,229 |
| Revenues from other segments | 570,215 | 105,168 | (285,581) | — | (389,802) | — |
| Total revenues | 2,528,989 | 2,927,566 | 614,153 | (104,677) | (389,802) | 5,576,229 |
| Segment result | 500,906 | 1,888,789 | (101,254) | (1,041,964) | — | 1,246,477 |
| Taxation | | | | | | (411,424) |
| Net income for the period | | | | | | 835,053 |
| Segment assets | 12,729,385 | 23,071,833 | 12,397,817 | 5,846,612 | (4,429,223) | 49,616,424 |
| Unallocated assets | | | | | | 9,644 |
| Total assets | | | | | | 49,626,068 |
| Segment liabilities | 17,703,283 | 21,127,491 | 7,457,749 | 553,900 | (4,058,125) | 42,784,298 |
| Unallocated liabilities | | | | | | 394,627 |
| Total liabilities | | | | | | 43,178,925 |
| Other segment items: | | | | | | |
| Capital expenditure | 128,691 | 992 | 4,244 | 39,065 | — | 172,992 |
| Depreciation | 48,903 | 786 | 4,685 | 66,415 | — | 120,789 |
| Loan loss expenses | 93,810 | 37,151 | — | — | — | 130,961 |

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 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 | — | — | — | — | — | — | — | — | — | 835,053 | 835,053 |
| Transfer to statutory reserve fund | — | — | — | 940,000 | — | — | — | — | 940,000 | (940,000) | — |
| Transfer to loan loss reserve | — | — | — | — | — | — | 36,482 | — | 36,482 | (36,482) | — |
| MTM fair value of available-for-sale investment | — | — | — | — | — | — | — | (5,569) | (5,569) | — | (5,569) |
| Balance as at October 31, 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 |
| 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 | — | — | — | — | — | — | — | — | — | 886,658 | 886,658 |
| Transfer to loan loss reserve | — | — | — | — | — | — | 242,659 | — | 242,659 | (242,659) | — |
| MTM fair value of available-for-sale investment | — | — | — | — | — | — | — | 28,665 | 28,665 | — | 28,665 |
| Dividends | — | — | — | — | — | — | — | — | — | (106,303) | (106,303) |
| Balance as at October 31, 2009 | 265,757 | 1,396,667 | 12,833 | 2,096,667 | 1,776,163 | 45,522 | 602,889 | 49,497 | 5,980,238 | 1,275,925 | 7,256,163 |

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.

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. Treasury Sales & Trading previously reported in 'Other Financial Services' have now been broken out and presented separately. 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.

Effective November 1, 2008, the Bank changed its transfer pricing methodology. The comparative year however was not restated to reflect these changes, as it were deemed impracticable to determine the cumulative effect at the beginning of the current period, of applying the new methodology to the prior period. Consequently, the impact of the new methodology will be reflected prospectively.

The Group's operations are located solely in Jamaica.