FirstCaribbean International Jamaica Limited

For the three months ended January 31, 2005

Chairman's Review

For the three months ended January 31, 2005

For the first quarter ended January 31, 2005 FirstCaribbean International Bank Jamaica Group reported net profit after taxation of $41 million. This result represents a 54% reduction from the $90 million recorded at the end of the first quarter in the preceding year.

Total revenue declined by $55.5 million (10.4%) in comparison to the three months ended January 31, 2004 with the decline in net interest income resulting from the fall in interest rates for placements and securities accounting for $51.3 million of the reduction. While the trend of falling interest rates is expected to continue we are taking initiatives to grow our core business to offset the decline.

Non-interest expenses for the three months ended January 31, 2005 increased by $35 million or 9% over the same period in the prior year mainly as a result of one off administrative expenses.

Return on shareholders' equity was 6.34% for the three months period compared to 16% for the same period in the prior year; earnings per share was 21 cents compared to 47 cents for the period ended January 31, 2004.

Total assets stood at $20.4 billion as at January 31, 2005 and reflect a growth of $1.1 billion or 5.5% over the period ended January 31, 2004. We continue to experience above market growth in our loans portfolio, which at $9.1 billion as at January 31, 2005, represents a 24.5% or $1.8 billion increase for the last 12 months and 7.4% growth since the October 31, 2004. This strategy of growing our loan portfolio represents our bank's view that shareholder value is enhanced long term by having a greater proportion of our assets in loans to the commercial and personal sectors. The quality of our loan portfolio continues to be impressive as reflected by the 70% reduction in non-performing loans.

This fiscal year represents the first opportunity since the merger to significantly leverage our investment technology and our people as we deliver new products such as our Platinum Visa Card and Internet and Telephone banking, all of which were introduced in the quarter under review. We thank our customers for their continued support.

I am pleased to note that our new Managing Director, Mr. Milton Brady has taken charge of the company and is fully committed to achieve the bank's strategic objectives. We all welcome him and assure him of our support.

Mr. Raymond Campbell has resigned from the group as at February 28, 2005. We thank him for his contribution to our organization and wish him well.

Michael K. Mansoor
Chairman

CONSOLIDATED BALANCE SHEET (J$'000)

AS AT JANUARY 31, 2005

	Unaudited January 31, 2005	Unaudited January 31, 2004	Audited October 31, 2004
Assets			
Cash resources	7,056,048	7,591,443	7,246,192
Investments Securities	2,216,028	2,612,553	2,255,759
Government securities purchased under resale agreement	592,931	367,769	551,229
Loans, less provision for impairment	9,081,531	7,275,653	8,448,607
Net investment in leases	11,592	29,248	16,431
Other assets	530,814	769,747	665,560
Retirement benefit assets	493,600	409,270	493,600
Property, plant and equipment	426,339	284,278	427,083
Total Assets	20,408,883	19,339,961	20,104,461
Liabilities			
Deposits	17,102,504	16,469,178	16,645,586
Other liabilities	429,027	275,885	604,304
Taxation payable	55,135	109,724	78,071
Retirement benefit obligations	104,224	81,811	104,224
Deferred tax liabilities	128,792	146,242	124,110
Total Liabilities	17,819,682	17,082,840	17,556,295
Stockholders' Equity			
Share capital and reserves	1,784,488	1,724,477	1,784,488
Retained earnings	804,713	532,644	763,678
	2,589,201	2,257,121	2,548,166
	20,408,883	19,339,961	20,104,461

Michael Mansoor
Chairman

Milton Brady
Managing Director

CONSOLIDATED STATEMENT OF INCOME(J$'000)

QUARTER ENDED JANUARY 31, 2005

	Unaudited Three months ended January 31, 2005	Unaudited Three months ended January 31, 2004	Audited Year ended October 31, 2004
Interest income	562,032	620,064	2,375,021
Interest expenses	(205,169)	(211,868)	(830,122)
Net interest income	356,863	408,196	1,544,899
Non-interest income	122,737	126,943	517,814
Total Revenue	479,600	535,139	2,062,713
Non-interest expenses	422,985	387,903	1,459,664
Provision for credit losses	4,676	14,914	17,281
Restructuring/Integration Costs	0	0	51,209
	427,661	402,817	1,528,154
Income before taxation	51,939	132,322	534,559
Taxation	(10,904)	(42,190)	(153,382)
Net Income	41,035	90,132	381,177
	=========	=========	==========
Average number of common shares outstanding (000's)	193,333	193,333	193,333
Net income per common share in cents	21.2	46.6	197.2

CONSOLIDATED STATEMENT OF CASH FLOWS (J$'000)

	Unaudited Three months ended January 31, 2005	Unaudited Three months ended January 31, 2004	Audited Year ended October 31, 2004
Net cash used in operating activities	(182,403)	(169,993)	(703,607)
Net cash (used in)/provided by investing activities	(22,455)	79,124	51,866
Net cash used in financing activities	-	-	-
Net decrease in cash and cash equivalents	(204,858)	(90,869)	(651,741)
Effect of exchange rate changes on cash and cash equivalents	-	-	136,839
Cash and cash equivalents, beginning of period	5,379,440	5,894,342	5,894,342
Cash and cash equivalents, end of period	5,174,583	5,803,473	5,379,440

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	Total Share Capital & Reserves J$'000	Retained Earnings J$'000
Balance at November 1, 2003	193,333	96,667	19,458	156,667	956,163	45,522	-	1,274,477	892,512
Net income	-	-	-	-	-	-	-	-	90,132
Transfer to retained earnings	-	-	-	-	450,000	-	-	450,000	(450,000)
Dividends	-	-	-	-	-	-	-	-	-
Balance at January 31, 2004	193,333	96,667	19,458	156,667	1,406,163	45,522	-	1,724,477	532,644
Balance at November 1, 2004	193,333	96,667	19,458	156,667	1,406,163	45,522	60,011	1,784,488	763,678
Net income	-	-	-	-	-	-	-	-	41,035
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Balance at January 31, 2005	386,666	96,667	19,458	156,667	1,406,163	45,522	60,011	1,784,488	804,713

SEGMENT FINANCIAL INFORMATION
CONSOLIDATED STATEMENT OF INCOME (J$'000)
For the three months ended

January 31, 2005

	Financial Services	Investment Management Services	Consol Elimin.	Group
Net Revenues	452,706	26,894	-	479,600
Operating Expenses	(406,583)	(21,078)	-	(427,661)
Profit before taxation	46,123	5,816	-	51,939
Income Tax				(10,904)
Net Profit				41,035
Segment Assets	20,557,107	410,096	(558,320)	20,408,883
Segment Liabilities	18,018,877	322,381	(521,576)	17,819,682
Other segment items:				
Capital expenditure	20,769	24	-	20,793
Depreciation	21,178	357	-	21,535

January 31, 2004

	Financial Services	Investment Management Services	Consol Elimin.	Group
Net Revenues	508,901	26,238	-	535,139
Operating Expenses	(373,289)	(29,528)	-	(402,817)
Profit before taxation	135,612	(3,290)	-	132,322
Income Tax				(42,190)
Net Profit				90,132
Segment Assets	19,349,203	122,836	(132,078)	19,339,961
Segment Liabilities	17,114,779	63,395	(95,334)	17,082,840
Other segment items:				
Capital expenditure	13,265	36	-	13,301
Depreciation	14,338	505	-	14,843

NOTES

1. Basis of preparation

These financial statements have been prepared in conformity with International Reporting Financial Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held for trading and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from these estimates.

2. Consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries. All significant inter-company transactions have been eliminated. The Bank and its subsidiaries are referred to as the "Group".

3. Interest income and expense

Interest income and expense are recognized in the statement of revenue and expenses for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount or premium on treasury bills and other discounted instruments.

Where collection of interest income is considered doubtful, or payment is outstanding for more than 90 days, the banking regulations stipulate that interest should be taken into account on the cash basis. IFRS requires that when loans become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognized based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount. However, such amounts under IFRS are considered to be immaterial.

4. Fee and commission income

Fees and commission income are recognized on the accrual basis. Loan origination fees, for loans which are probable of being drawn down, are deferred together with related direct cost and recognized as an adjustment to the effective yield on the loan.

Fees and commission arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction. Asset management fees related to investment funds are recognized ratably over the period the service is provided.

5. Foreign currencies

Foreign currency balances outstanding at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies during the year are converted at the rates of exchange ruling on the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the statement of revenue and expenses.

6. Investments

The Group classifies its investment securities into the following two categories: held-to-maturity and originated debts. Management determines the appropriate classification of Investments at the time of purchase.

Government or other securities, which are purchased directly from the issuer, are classified as originated debts. These include bonds and treasury bills. They are initially recorded at cost, which is the cash given to originate the debt, and are subsequently measured at amortised cost.

Investments purchased on the secondary market which are intended to be held to maturity, are classified as such. These investments are initially recorded at cost, and are subsequently measured at amortised cost.

Unquoted equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

7. Loans and provision for impairment losses
Loans are stated net of unearned income and provision for credit losses.

Loans are recognised when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan, and are subsequently measured at amortised cost using the effective interest rate method.

A provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

8. Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

9. Fiduciary activities
Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from these financial statements where the Bank or its subsidiaries act in a fiduciary capacity such as nominee, trustee or agent.

10. Deferred income taxes
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of

deferred income tax.

11. Employee benefits

(i) Pension asset

The Group operates a defined benefit pension plan. The asset in respect of the defined benefit pension plan is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates on government securities which have terms to maturity approximating the terms of the related liability. The pension benefit is based on the best consecutive five years' earnings in the last ten years of employment and the charge representing the net periodic pension cost less employee contributions, is included in staff costs.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to the pension plan are charged or credited to income over the service lives of the related employees.

(ii) Other post-retirement obligations

The Group provides post-retirement health care benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

(iii) Employee entitlements

Employee entitlements to annual leave and other benefits are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the balance sheet date.

12. Segment Financial Information

The Group is organised into two main business segments:

(a) Financial Services - This incorporates retail and corporate banking services.

(b) Investment Management Services - This includes investments and pension fund management and the administration of trust accounts.

Transactions between the business segments are on normal commercial terms and conditions.

The Group's operations are located solely in Jamaica.

13. Comparative information
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.