

FirstCaribbean International Bank Ltd.

For the three months ended January 31, 2005

Chairman's Review

(All figures in \$US)

I am pleased to advise that the first quarter of our fiscal year has seen several positive developments: favourable core financial performance, a \$117 million gain on the sale of the Bank's 8.8% Republic Bank shareholding and entry into the Trinidad and Tobago market. We have completed the first quarterly reporting period in over two years in which the business has not been required to divert energies to integration efforts arising from the merger.

Net Income for the period was \$149.3 million as compared to \$19.0 million in the prior year. Excluding the gain on Republic shares, net income of \$31.9 million was \$12.9 million or 67% higher than the prior year. Net interest income has risen by \$14.0 million

or 22% over the prior year as a result of a \$310 million or 8.4% increase in loan balances and improved US\$ rate spreads. Loan balances now stand at \$4.0 billion and total assets at \$8.9 billion.

Return on equity for the quarter (excluding the gain on sale) was 13.8% versus the 2004 comparative of 12.9%.

Our second quarter figures will include the results since January 1/05 of the Mercantile Bank, an acquisition that gives us an excellent platform for what we see as significant future growth for our Bank.

I am also pleased to report that our Bank has successfully completed an issue of US\$200 million of Subordinated Tier II debt in the European markets, which will allow the Bank to retire more expensive preferred share funding. European investors clearly recognized the attractiveness of our Bank's positioning in the Caribbean market, as demonstrated by the favourable pricing received on the issue.

We believe that the developments outlined above and our underlying financial trends position us very well to achieve our 2005 financial and strategic targets.

Michael K. Mansoor
Chairman

Consolidated Balance Sheet (USD'000)

	Unaudited Quarter ended January 31, 2005	Unaudited Quarter ended January 31, 2004	Audited October 31, 2004
Assets			
Cash balances with Central Banks and other banks and other banks	3,381,037	3,468,370	2,995,513
Trading securities	323,673	136,008	273,295
Loans and advances	3,989,795	3,679,768	3,933,886
Investment securities	653,979	759,652	818,396
Property and equipment	153,117	131,236	153,441
Other assets	100,494	219,683	172,914
Goodwill	305,535	297,311	301,275
	8,907,630	8,692,028	8,648,720
Liabilities			
Total deposits	7,620,124	7,406,060	7,337,636
Other liabilities	53,870	158,601	85,548
	7,673,994	7,564,661	7,423,184
Minority interest	18,565	16,996	18,433
Equity			
Share capital & reserves	898,173	947,997	1,011,724
Retained earnings	316,898	162,374	195,379
	1,215,071	1,110,371	1,207,103
	8,907,630	8,692,028	8,648,720

Ronald Lalonde
Director

John Eaton
Director

Consolidated Statement of Income (USD'000)

	Unaudited Quarter Ended January 31, 2005	Unaudited Quarter Ended January 31, 2004	Audited October 31, 2004
Total interest income	113,695	94,749	400,167
Total interest expenses	(36,019)	(31,111)	(126,816)
Net interest income	77,676	63,638	273,351
Non-interest income	149,060	28,825	112,039
	<u>226,736</u>	<u>92,463</u>	<u>385,390</u>
Non-interest expenses	69,741	57,968	247,723
Integration/restructuring costs	-	3,430	13,983
Provision for credit losses	3,061	4,934	14,889
	<u>72,802</u>	<u>66,332</u>	<u>276,595</u>
Operating profit	153,934	26,131	108,795
Goodwill amortisation	-	3,964	-
Taxation	3,503	2,249	16,926
	<u>150,431</u>	<u>19,918</u>	<u>91,869</u>
Minority interest	1,168	881	3,327
Net income	<u>149,263</u>	<u>19,037</u>	<u>88,542</u>

Average number of common shares outstanding (ooo's)	1,525,131	1,533,360	1,527,189
Net income per common share in cents			
-basic	9.8	1.2	5.8
-diluted	8.8	1.1	5.2
-cash earnings*	9.8	1.7	6.7

*Cash earnings represent earnings before goodwill amortisation and integration charges

Consolidated Statement of Changes In Shareholders' Equity (USD'000)

	Share Capital	Reserves Earnings	Retained Equity	Total
Balance at October 31, 2003	1,323,269	(374,229)	162,418	1,111,458
Net income for the period	-	-	19,037	19,037
Dividends	-	-	(19,081)	(19,081)
Repurchase of non-voting ordinary shares	(25,920)	-	-	(25,920)
Foreign currency translation		(347)	-	(347)
Available-for-sale investments securities				
- net fair value gains	-	25,224	-	25,224
Balance at January 31, 2004	1,297,349	(349,352)	162,374	1,110,371

Balance at October 31, 2004	1,297,349	(285,625)	195,379	1,207,103
Net income for the period	-	-	149,263	149,263
Dividends	-	-	(22,561)	(22,561)
Transfer to reserves	-	5,183	(5,183)	-
Foreign currency translation		(227)	-	(227)
Available-for-sale investments securities - net fair value gains	-	(118,507)	-	(118,507)
Balance at January 31, 2005	1,297,349	(399,176)	316,898	1,215,071

Consolidated Statement of Cash Flows (USD'000)

	Unaudited Quarter Ended January 31, 2005	Unaudited Quarter Ended January 31, 2004	Audited October 31, 2004
Net cash from/(used in) operating activities	358,483	(40,178)	(304,458)
Net cash used in financing activities	(23,597)	(25,920)	(69,037)
Net cash from investing activities	42,437	48,217	1,558
Net increase/(decrease) in cash and cash equivalents for the period	377,323	(17,881)	(371,937)

Effects of exchange rate changes on cash and cash equivalents	(227)	(427)	(974)
Cash and cash equivalents, beginning of period	<u>1,540,694</u>	<u>1,913,605</u>	<u>1,913,605</u>
Cash and cash equivalents, end of period	<u>1,917,790</u>	<u>1,895,297</u>	<u>1,540,694</u>