

FirstCaribbean International Bank Limited

Financial Results For the 6 months ended April 30,2005

Chairman's Review

For the period ended April 30, 2005
(All figures in \$US)

The news from the Bank for this period is again positive, with the accent now on the Bank's strong financial performance. This follows on my previous Chairman's Review in which I reported on several positive events, including the \$117 million gain on the sale of the Bank's Republic Bank shareholding, as well as our entry into the vibrant Trinidad market via the acquisition of the former Mercantile Bank.

Net income for the half-year was \$187.7 million as compared to \$40.0 million in the prior year. Excluding the gain on the Republic shares, the year-over-year increase remains significant, with net income of \$70.2 million being \$30.2 million or 75% higher (\$15.2 million or 28% higher on a cash basis which excludes 2004 integration costs and goodwill amortization.

Excluding the Republic gain, revenues have risen over the prior year by \$32.4 million or 17%, with the key drivers being higher US interest rates and a loan book that has grown by \$408 million or 11% versus the prior year.

The Bank's focus on credit remains undiminished, as evidenced by loans loss provisions of \$3.8 million versus a prior year of \$6.9 million when the loan book was 11% lower.

Total operating expenses of \$133.6 million are \$10.1 million or 8% higher than the prior

year.

The prior year financial comparables included \$7.9 million in goodwill amortization, which was subsequently reversed in Q3 2004 with the application of a newly required IAS standard that mandates an annual impairment test of goodwill on the balance sheet. The test indicated no impairment.

Return on tangible equity for the half-year (excluding the gain on sale) was 16.4% versus the 2004 comparative of 12.9%

The Board of Directors has recommended an interim dividend of US 2.00 cents per share, payable on July 1, 2005 to shareholders on record as at June 20, 2005. This represents an increase of 60% over the dividend of US 1.25 cents paid in the prior year.

With a successful merger integration behind us we are now well positioned to make major inroads in the marketplace, and we believe this is evidenced by the Bank's strong financial performance.

Michael K. Mansoor
Chairman

CONSOLIDATED BALANCE SHEET USD'000

Assets	Unaudited Quarter ended April 30, 2005	Unaudited Quarter ended April 30, 2004	Audited October 31, 2004
Cash, balances with Central Banks and other banks	3,159,937	3,494,761	2,995,513
Trading securities	455,525	392,911	273,295
Loans and advances	4,121,789	3,713,634	3,933,886
Investment securities	704,280	1,138,705	818,396
Property and equipment	149,646	137,719	153,441
Other assets	132,457	342,901	172,914
Goodwill	305,535	293,346	301,275
	9,029,169	9,513,977	8,648,720
	=====	=====	=====
Liabilities			
Total deposits	7,678,650	7,658,499	7,337,636
Other liabilities	60,637	685,258	85,548
Debt securities in issue	198,822	-	-
	<u>7,938,109</u>	<u>8,343,757</u>	<u>7,423,184</u>
Mnority interest	<u>19,929</u>	<u>17,702</u>	<u>18,433</u>
Equity			
Share capital & reserves	724,746	969,157	1,011,724
Retained earnings	346,385	183,361	195,379
	<u>1,071,131</u>	<u>11,521</u>	<u>1,207,103</u>
	9,029,169	9,513,977	8,648,720
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Note: Results have been converted to US\$ at an exchange rate of US\$1=BBD\$2

RICHARD VENN
DIRECTOR

DAVID ROBERTS
DIRECTOR

CONSOLIDATED STATEMENT OF INCOME USD'000

	Unaudited Quarter ended April 30,2005	Unaudited Quarter ended April 30,2004	Unaudited Period ended April 30,2005	Unaudited Period ended April 30,2004	Audited October 31,2004
Total interest income	119,133	95,100	232,827	189,849	400,167
Total interest expenses	(40,065)	(30,196)	(76,083)	(61,307)	(126,816)
Net interest income	79,068	64,904	156,744	128,542	273,351
Non-interest income	31,000	29,612	180,061	58,436	112,039
	<u>110,068</u>	<u>94,516</u>	<u>336,805</u>	<u>186,978</u>	<u>385,390</u>
Non-interest expenses	63,903	58,521	133,644	116,489	247,723
Integration/restructuring costs	-	3,545	-	6,975	13,983
Provision for credit losses	695	1,995	3,756	6,929	14,889
	<u>64,598</u>	<u>64,061</u>	<u>137,400</u>	<u>130,393</u>	<u>276,595</u>
Operating profit	45,470	30,455	199,405	56,585	108,795
Goodwill amortisation	-	3,965	-	7,928	-
Taxation	5,709	4,797	9,212	7,046	16,926
	<u>39,761</u>	<u>21,693</u>	<u>190,193</u>	<u>41,611</u>	<u>91,869</u>
Minority interest	1,367	706	2,535	1,587	3,327
Net Income	<u>38,394</u>	<u>20,987</u>	<u>187,658</u>	<u>40,024</u>	<u>88,542</u>
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Average number of common shares outstanding (000's)	1,525,131	1,525,131	1,525,131	1,533,360	1,527,189
Net income per common share in cents					
- basic	2.5	1.4	12.3	2.6	5.8
- diluted	2.5	1.2	12.3	2.3	5.2
- cash earnings*	2.5	1.9	12.3	3.6	6.7

*Cash earnings represent earnings before goodwill amortisation and integration charges

Note: Results have been converted to US\$ at an exchange rate of US\$1=BBD\$2

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY USD'000

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at October 31, 2003	1,323,269	(374,229)	162,418	1,111,458
Net income for the period	-	-	40,024	40,024
Dividends	-	-	(19,081)	(19,081)
Re-purchase of non-voting ordinary shares	(25,920)	-	-	(25,920)
Foreign currency translation	-	(186)	-	(186)
Available-for-sale investments securities - net fair value gains, net of tax	-	46,223	-	46,223
Balance at April 30, 2004	1,297,349	328,192	183,361	1,152,518
Balance at October 31, 2004	1,297,349	(285,625)	195,379	1,207,103
Net income for the period	-	-	197,658	187,658
Dividends	-	-	(22,560)	(22,560)
Redemption of preference shares	(180,000)	-	-	(180,000)
Transfer to reserves	-	14,092	(14,092)	-
Foreign currency translation	-	(197)	-	(197)
Available-for-sale investments securities - net fair value gains, net of tax	-	(120,873)	-	(120,873)
Balance at April 30, 2005	1,117,349	392,603	346,385	1,071,131

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

RICHARD VENN
DIRECTOR

DAVID ROBERTS
DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS USD'000

	Unaudited Quarter ended April 30, 2005	Unaudited Quarter ended April 30, 2004	Audited October 31, 2004
Net cash from/(used in) operating activities	476,391	623,918	(304,458)
Net cash used in financing activities	(4,778)	(45,001)	(69,037)
Net cash (used in)/from investing activities	<u>(11,066)</u>	<u>(587,740)</u>	<u>1,558</u>
Net Increase/(decrease) In cash and cash equivalents for the year	460,547	(8,823)	(371,937)
Effects of exchange rate changes on cash and cash equivalents	(197)	(374)	(974)
Cash and cash equivalents, beginning of year	<u>1,540,694</u>	<u>1,913,605</u>	<u>1,913,605</u>
Cash and cash equivalents, end of year	<u>2,001,044</u>	<u>1,904,408</u>	<u>1,540,694</u>
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