

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the period ended July 31, 2005 (All figures expressed in US Dollars)



**FIRSTCARIBBEAN**  
INTERNATIONAL BANK

### CHAIRMAN'S REVIEW

I am pleased to report that the strong financial performance cited at the end of the second quarter has continued apace, with several key financial metrics, including loan growth, showing a further step-up in performance.

Net income for the first three quarters was \$221.9 million as compared to \$68.6 million in the prior year. Excluding the one-time gain on sale of Republic shares in Q1, the year-over-year increase remains very significant, with net income of \$104.4 million being \$35.8 million or 52 per cent higher than the prior year.

Excluding the Republic gain, revenues have risen over the prior year by \$39 million or 14 per cent, with the key drivers being a loan book that has grown by \$527 million or 14 per cent versus the prior year, as well as higher US interest rates. Loan growth has been strong across all major jurisdictions and business segments. Although starting from a relatively small base, it is also worth noting that our Trinidad operation, acquired in January 2005, has grown its loan book by 25 per cent since inception.

Loan loss expense for the period of \$4.9 million compares favourably with a prior year figure of \$9.5 million, a period when the loan book was 14 per cent lower. Non-performing loans continue to decline in absolute terms, and especially as a percentage of gross loans, currently standing at 5.7 per cent versus a ratio of 8.7 per cent at the end of the 2003 fiscal year.

Total operating expenses of \$199.1 million are \$6.9 million or 3.6 per cent higher than the prior year.

Return on tangible equity for the half-year (excluding the gain on sale) was 16.7 per cent versus the 2004 comparative of 12.7 per cent.

This performance is most importantly underpinned by positive underlying trends in our key business drivers and management's uncompromising focus on strong governance and risk management.

Michael K. Mansoor  
Chairman

### FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONSOLIDATED BALANCE SHEET USD'000

Assets	Unaudited Quarter ended July 31, 2005	Unaudited Quarter ended July 31, 2004	Audited October 31, 2004
Cash, balances with Central Banks and other banks	2,767,387	3,228,631	2,995,513
Trading securities	573,689	261,882	273,295
Loans and advances	4,407,413	3,877,352	3,933,886
Investment securities	664,018	1,196,877	818,396
Property and equipment	149,221	148,203	153,441
Other assets	113,501	229,858	172,914
Goodwill	305,535	301,275	301,275
	<u>8,980,764</u>	<u>9,244,078</u>	<u>8,648,720</u>
<b>Liabilities</b>			
Total deposits	7,555,831	7,389,036	7,337,636
Other liabilities	129,635	663,593	85,548
Debt securities in issue	198,822	-	-
	<u>7,884,288</u>	<u>8,052,629</u>	<u>7,423,184</u>
Minority interest	19,953	17,734	18,433
<b>Equity</b>			
Share capital & reserves	729,096	990,282	1,011,724
Retained earnings	347,427	183,433	195,379
	<u>1,076,523</u>	<u>1,173,715</u>	<u>1,207,103</u>
	<u>8,980,764</u>	<u>9,244,078</u>	<u>8,648,720</u>

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

Allan Fields  
Director

John Eaton  
Director

### FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONSOLIDATED STATEMENT OF INCOME USD'000

	Unaudited Quarter ended July 31, 2005	Unaudited Quarter ended July 31, 2004	Unaudited Period ended July 31, 2005	Unaudited Period ended July 31, 2004	Audited October 31, 2004
Total interest income	123,095	99,638	355,922	289,487	400,167
Total interest expenses	(44,332)	(32,044)	(120,415)	(93,351)	(126,816)
Net interest income	78,763	67,594	235,507	196,136	273,351
Non-interest income	25,581	30,004	205,642	88,440	112,039
	<u>104,344</u>	<u>97,598</u>	<u>441,149</u>	<u>284,576</u>	<u>385,390</u>
Non-interest expenses	65,455	68,722	199,099	192,186	261,706
Provision for credit losses	1,155	2,604	4,911	9,533	14,889
	<u>66,610</u>	<u>71,326</u>	<u>204,010</u>	<u>201,719</u>	<u>276,595</u>
Operating profit	37,734	26,272	237,139	82,857	108,795
Goodwill amortisation	-	(7,928)	-	-	-
Taxation	2,342	4,653	11,554	11,699	16,926
	<u>35,392</u>	<u>29,547</u>	<u>225,585</u>	<u>71,158</u>	<u>91,869</u>
Minority interest	1,199	941	3,734	2,528	3,327
Net Income	<u>34,193</u>	<u>28,606</u>	<u>221,851</u>	<u>68,630</u>	<u>88,542</u>

	1,525,131	1,525,131	1,525,131	1,527,874	1,527,189
Average number of common shares outstanding (000's)					
Net income per common share in cents					
— basic	2.2	1.9	14.5	4.5	5.8
— diluted	2.2	1.7	14.5	4.0	5.2
— cash earnings*	2.2	1.7	14.5	5.3	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

### FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED 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	-	-	68,630	68,630
Dividends	-	-	(38,148)	(38,148)
Re-purchase of non-voting ordinary shares	(25,920)	-	-	(25,920)
Transfer to reserves	-	9,467	(9,467)	-
Foreign currency translation	-	(833)	-	(833)
Available-for-sale investments securities-net fair value gains	-	58,527	-	58,527
Balance at July 31, 2004	<u>1,297,349</u>	<u>(307,068)</u>	<u>183,433</u>	<u>1,173,714</u>
Balance at October 31, 2004	1,297,349	(285,625)	195,379	1,207,103
Net income for the period	-	-	221,853	221,853
Dividends	-	-	(52,512)	(52,512)
Redemption of preference shares	(180,000)	-	-	(180,000)
Transfer to reserves	-	17,292	(17,292)	-
Foreign currency translation	-	(714)	-	(714)
Available-for-sale investments securities-net fair value gains	-	(119,206)	-	(119,206)
Balance at July 31, 2005	<u>1,117,349</u>	<u>(388,253)</u>	<u>347,428</u>	<u>1,076,523</u>

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

### FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS USD'000

	Unaudited Quarter ended July 31, 2005	Unaudited Quarter ended July 31, 2004	Audited October 31, 2004
Net cash (used in)/from operating activities	(9,777)	316,971	(304,458)
Net cash used in financing activities	(35,905)	(64,068)	(69,037)
Net cash from/(used in) investing activities	27,306	(514,883)	1,558
Net decrease in cash and cash equivalents for the period	(18,376)	(261,980)	(371,937)
Effects of exchange rate changes on cash and cash equivalents	(714)	(2,828)	(974)
Cash and cash equivalents, beginning of period	1,540,694	1,913,605	1,913,605
Cash and cash equivalents, end of period	<u>1,521,604</u>	<u>1,648,797</u>	<u>1,540,694</u>

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

The above information is also available on our website at [www.firstcaribbeanbank.com](http://www.firstcaribbeanbank.com)