

# FirstCaribbean International Bank Limited

## Consolidated Financial Statements

For the Third Quarter ended July 31, 2008 (expressed in thousands of United States dollars)



FIRSTCARIBBEAN  
INTERNATIONAL BANK

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Period ended July 31, 2008	Restated Unaudited Period ended July 31, 2007	Audited October 31, 2007
Net cash (used in)/from operating activities	(168,694)	162,639	(166,919)
Net cash from/(used in) investing activities	387,985	28,800	(827,415)
Net cash used in financing activities	(107,001)	(21,929)	(64,243)
Net increase/(decrease) in cash and cash equivalents for the period	112,290	169,510	(1,058,577)
Effect of exchange rate changes on cash and cash equivalents	(1,520)	(1,832)	(6,009)
Cash and cash equivalents, beginning of period	1,012,377	2,076,963	2,076,963
Cash and cash equivalents, end of period	1,123,147	2,244,641	1,012,377

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Summary of significant accounting policies

#### Basis of presentation

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2007, included in the Group's Annual Report 2007. 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.

The results of operations for interim periods are not necessarily indicative of results for the entire year.

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

##### *Change in post retirement medical benefits*

Effective January 1, 2007 certain changes to the Group's health benefit scheme were made which resulted in the recognition of a curtailment gain of \$17.1 million in the prior year.

##### *Hedge accounting*

At the end of the last fiscal, a review of the Group's hedge accounting revealed that one of the criteria was not fully met and this resulted in an adjustment to the 2007 results and a restatement of the 2006 results. As a consequence, the July 31, 2007 comparative numbers have been restated to reflect this adjustment. Opening retained earnings for 2007 has been reduced by \$7.4 million, net income attributable to the equity holders of the Company for 2007 reduced by \$4.6 million with a corresponding reduction in retained earnings, total assets reduced by \$13.7 million, total liabilities reduced by \$0.4 million, minority interest reduced by \$0.6 million, and reserves reduced by \$0.7 million.

##### *Loss on disposal of shares*

During the third quarter the remaining shares in Visa were sold at a gain of \$4.3 million, reducing the YTD loss from \$7.8 million at the end of Q2 to \$3.5 million.