FirstCaribbean International Bank (Jamaica) Limited

Condensed Unaudited Consolidated Financial Statements

For the Year ended October 31, 2008 (expressed in thousands of Jamaican dollars)

FIRSTCARIBBEAN INTERNATIONAL BANK

CHAIRMAN'S REVIEW

For the year ended October 31, 2008

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of $835 million for the year ended October 31, 2008, compared to $771 million for the prior year. This year's income is stated net of a one-off loss of $86 million ($58 million net of tax) for amount not recognized because of limit placed on the economic value of the surplus in the group's pension plan. The prior year's comparative included a one-off gain of $82 million ($55 million net of tax) in relation to change of policy in the group's post retirement health benefit scheme.

The Group was unable to claim hedge accounting for certain interest rate hedges and the related loss this year was $160 million ($107 million net of tax), compared to a loss of $44 million ($29 million net of tax) in prior year. Excluding these one-off items, NIAT increased by $254 million or 34% over the prior year's comparative. The Bank's core business segments performed as expected.

Net interest income for the year ended October 31, 2008 was $3,095 million, representing an increase of $496 million or 19.1% over prior year. Total revenues for the year were $3,690 million compared to $3,281 million in 2007. Excluding the losses related to the hedge accounting, core revenues increased by $525 million or 15.8% over prior year. Non-interest expenses for the year were $2,312 million compared to $2,010 million in the prior year. Excluding the adjustments for pension assets and post retirement health benefits, non-interest expenses increased by $134 million or 6.4% over prior year.

Total assets stood at $49,626 million as at October 31, 2008 compared to $41,671 million as at October 31, 2007. Loans and advances to customers amounted to $34,937 million reflecting a year on year growth of $3,527 million or 11.2%. We are satisfied with the quality of our loan portfolio. Customer Deposits amounted to $41,369 million, reflecting an increase of $7,846 million or 23.4% over the prior year.

As at October 31, 2008 Stockholders' Equity stood at $6,447 million registering a 14.7% increase over the prior year's balance of $5,618 million. In the first quarter, the Board approved the transfer of $470 million from Retained Earnings to Statutory Reserve Fund to strengthen our capital base and increase our lending capacity. The Board has approved a further transfer of $470 million as at October 31, 2008. In order to support the continued growth of business, the Board recommended that no dividend be paid for the quarter.

The Board, management and staff will continue to monitor the economic conditions and take the necessary steps to ensure that the interests of all our stakeholders are promoted in these circumstances.

I thank our customers, employees, shareholders and other stakeholders for their contribution and continued support.

Michael K. Mansoor
Chairman

December 8, 2008

FORWARD-LOOKING STATEMENT DISCLOSURE

This report contains forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward looking statements provide management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements reasonable, actual results could differ materially from those contained in or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) changes in general economic conditions, or in the condition of the local economies in which we have significant operations or assets which could, among other things, materially impact credit quality trends and our ability to generate loans; (4) increased competitive pressure among financial services companies; (5) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (6) consummation of significant business combinations or divestitures; (7) operational or risk management failures due to technological or other factors; (8) heightened regulatory practices, requirements or expectations; (9) new legal obligations or restrictions or unfavourable resolution of litigation; (10) adverse capital markets conditions; (11) disruption in the economy and general business climate as a result of terrorists activities or military actions; and (12) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements. For further information regarding FirstCaribbean International Bank (Jamaica) Limited, please read FirstCaribbean International Bank (Jamaica) Limited's financial and other reports that are available on the company's website at www.firstcaribbeanbank.com.

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited October 31, 2008	Audited October 31, 2007
Assets		
Cash and balances with Central Bank	**8,283,849**	4,782,173
Loans and advances to banks	**1,287,596**	1,505,349
Other assets	**2,370,140**	1,500,359
Investment securities	**1,101,528**	924,855
Government securities purchased under resale agreements	**262,066**	212,077
Loans and advances to customers	**34,936,630**	31,409,506
Property, plant and equipment	**549,934**	502,565
Deferred tax assets	**9,644**	4,499
Retirement benefit assets	**824,680**	829,800
Total assets	**49,626,067**	41,671,183
Liabilities		
Customer deposits	**41,368,967**	33,523,005
Other liabilities	**858,199**	652,101
Taxation payable	**211,871**	81,681
Deferred tax liabilities	**182,756**	218,430
Retirement benefit obligations	**57,180**	76,090
Debt securities in issue	**499,950**	1,502,217
Total liabilities	**43,178,923**	36,053,524
Stockholders' Equity		
Share capital and reserves	**5,708,915**	4,738,001
Retained earnings	**738,229**	879,658
Total equity	**6,447,144**	5,617,659
Total stockholders' equity and liabilities	**49,626,067**	41,671,183

Michael Mansoor
Chairman

Milton Brady
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended October 31, 2008	Unaudited Quarter ended October 31, 2007	Unaudited Year ended October 31, 2008	Audited Year ended October 31, 2007
Interest income	1,309,173	1,237,783	4,977,462	4,348,608
Interest expenses	(461,447)	(518,228)	(1,882,011)	(1,748,674)
Net interest income	847,726	719,555	3,095,451	2,599,934
Non-interest income	193,304	45,561	594,481	681,559
Total revenues	1,041,030	765,116	3,689,932	3,281,493
Non-interest expenses	(695,781)	(531,997)	(2,312,495)	(2,009,620)
Loan loss impairment	(43,121)	(35,750)	(130,961)	(122,293)
	(738,902)	(567,747)	(2,443,456)	(2,131,913)
Income before taxation	302,128	197,369	1,246,476	1,149,580
Taxation	(103,451)	(77,714)	(411,423)	(378,457)
Net income for the period	198,677	119,655	835,053	771,123
Weighted average number of common shares outstanding (000's)	265,757	265,757	265,757	265,757
Net income per common share in cents	74.8	45.0	314.2	290.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Year ended October 31, 2008	Audited Year ended October 31, 2007
Net cash provided by/(used in) operating activities	**4,508,479**	(2,139,862)
Net cash (used in)/provided by investing activities	**(393,664)**	830,078
Net cash (used in)/provided by financing activities	**(1,000,000)**	1,500,000
Net increase in cash and cash equivalents	**3,114,815**	190,216
Cash and cash equivalents, beginning of period	**3,610,007**	3,419,791
Cash and cash equivalents, end of period	**6,724,822**	3,610,007

SEGMENT FINANCIAL INFORMATION

	Retail Banking	Corporate Banking	Other Financial Services	Unallocated Support Unit Costs	Eliminations	Group
October 31, 2008						
External revenues	1,463,659	2,751,212	1,461,749	(104,677)	—	5,571,943
Revenues from other segments	622,991	103,195	(336,384)	—	(389,802)	—
Total revenues	2,086,650	2,854,407	1,125,365	(104,677)	(389,802)	5,571,943
Segment result	303,678	1,910,587	126,278	(1,094,067)	—	1,246,476
Taxation						(411,423)
Net income for the period						835,053
Segment assets	21,815,711	25,935,277	(1,888,514)	8,183,172	(4,429,223)	49,616,423
Unallocated assets						9,644
Total assets						49,626,067
Segment liabilities	15,753,741	21,885,663	9,405,696	(202,678)	(4,058,125)	42,784,296
Unallocated liabilities						394,627
Total liabilities						43,178,923
Other segment items:						
Capital expenditure	102,418	416	16,603	53,096	—	172,533
Depreciation	47,315	600	6,459	66,422	—	120,796
Loan loss expenses	54,940	39,391	36,630	—	—	130,961
October 31, 2007						
External revenues	1,428,698	2,286,024	1,302,802	12,643	—	5,030,167
Revenues from other segments	521,365	(132,652)	(128,905)	—	(259,808)	—
Total revenues	1,950,063	2,153,372	1,173,897	12,643	(259,808)	5,030,167
Segment result	242,755	1,300,727	406,463	(800,365)	—	1,149,580
Taxation						(378,457)
Net income for the period						771,123
Segment assets	19,968,096	20,341,565	(4,869,885)	9,754,808	(3,527,900)	41,666,684
Unallocated assets						4,499
Total assets						41,671,183
Segment liabilities	13,932,194	17,847,177	5,905,648	1,232,294	(3,163,900)	35,753,413
Unallocated liabilities						300,111
Total liabilities						36,053,524
Other segment items:						
Capital expenditure	156,137	657	14,032	35,695	—	206,521
Depreciation	33,191	408	2,783	110,371	—	146,753
Loan loss expenses	81,951	50,686	—	(10,344)	—	122,293

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares ('000)	Share Capital $'000	Capital Reserve $'000	Statutory Reserve Fund $'000	Retained Earnings Reserve $'000	Building Society's Reserve $'000	Loan Loss Reserve $'000	Fair Value Reserve $'000	Total Share Capital & Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as restated November 1, 2006	265,757	1,396,667	12,833	696,667	1,776,163	45,522	188,919	27,622	4,144,393	703,364	4,847,757
Net income	—	—	—	—	—	—	—	—	—	771,123	771,123
Transfer to statutory reserve fund	—	—	—	460,000	—	—	—	—	460,000	(460,000)	—
Transfer to loan loss reserve	—	—	—	—	—	—	134,829	—	134,829	(134,829)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(1,221)	(1,221)	—	(1,221)
Balance as at October 31, 2007	265,757	1,396,667	12,833	1,156,667	1,776,163	45,522	323,748	26,401	4,738,001	879,658	5,617,659
Balance as at November 1, 2007	265,757	1,396,667	12,833	1,156,667	1,776,163	45,522	323,748	26,401	4,738,001	879,658	5,617,659
Net income	—	—	—	—	—	—	—	—	—	835,053	835,053
Transfer to statutory reserve fund	—	—	—	940,000	—	—	—	—	940,000	(940,000)	—
Transfer to loan loss reserve	—	—	—	—	—	—	36,482	—	36,482	(36,482)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(5,568)	(5,568)	—	(5,568)
Balance as at October 31, 2008	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	360,230	20,833	5,708,915	738,229	6,447,144

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed financial statements of FirstCaribbean International Bank (Jamaica) Limited (the Group) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2007. For a description of the Group's significant accounting policies, see Note 2 of the said 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 year period financials to conform to the current period 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.

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 $82.2 million ($54.9 million net of tax) in prior year.

Amounts not recognized because of limit placed on the economic value of pension plan surplus

Under IAS 19 the asset on the Group's balance sheet in respect of its post retirement defined benefit pension disclosures must be limited to the economic value of the surplus in the Group's pension plan. The economic value of the pension plan's surplus has been interpreted as the present value of the future contribution holidays that the Group can take. For the Group's plan, the asset on the balance sheet exceeded the present value of future employer contribution holidays. The amount by which the unlimited asset on the balance sheet exceeded the limited asset on the balance sheet - $85.9 million ($57.5 million net of tax), was written off as at October 31, 2008.

Hedge accounting

At the end of 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. Opening retained earnings for 2007 was reduced by $27.3 million, total assets were reduced by $40.9 million and total liabilities were reduced by $13.6 million. The Group has reinstated these hedges from an accounting perspective. In addition, certain hedges were not fully effective during the period.

For the year ended October 31, 2008, the loss due to hedge ineffectiveness was $160.1 million ($106.7 million net of tax), compared to a loss of $43.5 million ($29.0 million net of tax) in prior year.

Segment reporting

During the first quarter of 2008, as part of our customer segmentation, certain assets and liabilities associated income and expenses previously classified as Premier Banking within the Retail Segment were transferred to the Wealth Management Segment, which is included in Other Financial Services.

The Group's operations are located solely in Jamaica.