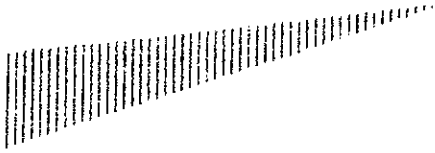


**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**  
(expressed in thousands of United States dollars)

**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**OCTOBER 31, 2008**

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**ERNST & YOUNG**

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Barbados, B.A.

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Westring Street Church BB10008  
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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of FirstCaribbean International Bank Limited

We have audited the consolidated financial statements of FirstCaribbean International Bank Limited ("the Company") for the year ended 31 October 2008 from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated 27 January 2009, we expressed an unqualified audit opinion on the consolidated financial statements from which the summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

For a better understanding of the Company's financial position and the results of its operations for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the consolidated financial statements from which the summarized financial statements were derived and our audit report thereon.

*Ernst & Young*

CHARTERED ACCOUNTANTS

Barbados  
27 January 2009

**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED OCTOBER 31, 2008**

(expressed in thousands of United States dollars)

|  | Notes | 2008<br>\$ | 2007<br>\$ |
|--|-------|------------|------------|
| Interest and similar income  |       | 722,971    | 784,857    |
| Interest and similar expense   |       | 264,684    | 359,876    |
| <b>Net interest income</b>   | 3     | 458,287    | 424,981    |
| <b>Operating income</b>  | 4     | 92,256     | 181,048    |
|  |       | 550,543    | 606,029    |
| Operating expenses   | 5     | 313,592    | 301,607    |
| Loan loss impairment   | 14    | 32,015     | 17,029     |
| Amortisation of intangible assets  | 18    | 2,963      | 2,960      |
|  |       | 348,570    | 321,596    |
| <b>Income before taxation</b>  |       | 201,973    | 284,433    |
| <b>Income tax expense</b>  | 6     | 22,220     | 23,092     |
| <b>Net income for the year</b>   |       | 179,753    | 261,341    |
| <b>Attributable to:</b>  |       |            |            |
| Equity holders of the parent   |       | 175,276    | 255,667    |
| Minority interest  |       | 4,477      | 5,674      |
|  |       | 179,753    | 261,341    |
| <b>Earnings per share for net income attributable to the equity holders of the parent during the year:</b><br>(expressed in cents per share) | 7     |            |            |
| - basic  |       | 11.5       | 16.8       |
| - diluted  |       | 11.5       | 16.8       |

**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**


**CONSOLIDATED BALANCE SHEET**

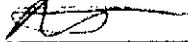
**AS OF OCTOBER 31, 2008**

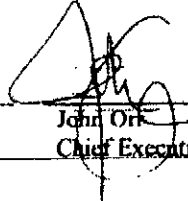
(expressed in thousands of United States dollars)

|  | Notes | 2008<br>\$        | 2007<br>\$        |
|--|-------|-------------------|-------------------|
| <b>ASSETS</b>  |       |                   |                   |
| Cash and balances with Central Banks                       | 8     | 488,810           | 495,926           |
| Due from banks   | 9     | 496,076           | 1,022,724         |
| Derivative financial instruments                           | 10    | 2,144             | 40,161            |
| Financial assets at fair value through profit or loss      | 11    | 536,217           | 1,123,589         |
| Other assets   | 12    | 59,934            | 82,190            |
| Taxation recoverable                                       |       | 6,184             | 769               |
| Investment securities                                      | 13    | 2,004,269         | 2,471,004         |
| Loans and advances to customers                            | 14    | 6,814,278         | 6,079,959         |
| Property and equipment                                     | 15    | 127,156           | 136,002           |
| Deferred tax assets  | 16    | 15,768            | 8,568             |
| Retirement benefit assets                                  | 17    | 44,805            | 47,307            |
| Intangible assets  | 18    | 344,513           | 347,476           |
| <b>TOTAL ASSETS</b>  |       | <u>10,940,154</u> | <u>11,855,675</u> |
| <b>LIABILITIES</b>   |       |                   |                   |
| Derivative financial instruments                           | 10    | 55,580            | 20,305            |
| Customer deposits  | 19    | 9,196,049         | 9,275,685         |
| Other borrowed funds                                       | 20    | 23,735            | 758,156           |
| Other liabilities  | 21    | 66,965            | 145,910           |
| Taxation payable   |       | 14,031            | 8,349             |
| Deferred tax liabilities                                   | 16    | 1,520             | 3,898             |
| Debt securities in issue                                   | 22    | 238,532           | 274,161           |
| Retirement benefit obligations                             | 17    | 7,947             | 8,391             |
| <b>TOTAL LIABILITIES</b>                                   |       | <u>9,604,359</u>  | <u>10,494,855</u> |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> |       |                   |                   |
| Issued capital   | 23    | 1,117,349         | 1,117,349         |
| Treasury shares  | 24    | (500)             | (1,418)           |
| Reserves   | 25    | (371,997)         | (300,248)         |
| Retained earnings  |       | 565,889           | 520,310           |
|  |       | <u>1,310,741</u>  | <u>1,335,993</u>  |
| <b>MINORITY INTEREST</b>                                   |       | <u>25,054</u>     | <u>24,827</u>     |
| <b>TOTAL EQUITY</b>  |       | <u>1,335,795</u>  | <u>1,360,820</u>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        |       | <u>10,940,154</u> | <u>11,855,675</u> |

Approved by the Board of Directors on January 27, 2009

  
 Michael Mansoor  
 Chairman

  
 Don Coulter  
 Chief Financial Officer

  
 John Orr  
 Chief Executive Officer

**FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED OCTOBER 31, 2008**  
(expressed in thousands of United States dollars)

|  | Notes | Attributable to equity holders<br>of the parent |                          |                | Minority<br>interest | Total<br>equity |                            |
|--|-------|---|--------------------------|----------------|----------------------|-----------------|----------------------------|
|  |       | Issued<br>capital<br>\$                         | Treasury<br>Shares<br>\$ | Reserves<br>\$ |                      |                 | Retained<br>earnings<br>\$ |
| <b>Balance at October 31, 2006</b>                                     |       | 1,117,349                                       | (426)                    | (336,159)      | 396,166              | 22,369          | 1,199,299                  |
| Foreign currency translation differences                               | 25    | -   | -                        | 1,053          | (6,829)              | (233)           | (6,009)                    |
| Net change in available-for-sale<br>investment securities              | 25    | -   | -                        | (4,023)        | -                    | (279)           | (4,302)                    |
| Total income and expense for the year<br>recognised directly in equity |       | -   | -                        | (2,970)        | (6,829)              | (512)           | (10,311)                   |
| Net income for the year  |       | -   | -                        | -              | 255,667              | 5,674           | 261,341                    |
| Total income and expense for the year                                  |       | -   | -                        | (2,970)        | 248,838              | 5,162           | 251,030                    |
| Transfer to reserves   | 25    | -   | -                        | 34,860         | (34,860)             | -               | -                          |
| Net purchase of treasury shares  | 24    | -   | (992)                    | -              | -                    | -               | (992)                      |
| Share based payment reserves   | 25    | -   | -                        | 902            | -                    | -               | 902                        |
| Contributed surplus  | 25    | -   | -                        | 3,119          | -                    | -               | 3,119                      |
| Equity dividends   |       | -   | -                        | -              | (89,834)             | -               | (89,834)                   |
| Dividends of subsidiaries  |       | -   | -                        | -              | -                    | (2,704)         | (2,704)                    |
| <b>Balance at October 31, 2007</b>                                     |       | 1,117,349                                       | (1,418)                  | (300,248)      | 520,310              | 24,827          | 1,360,820                  |
| Foreign currency translation differences                               | 25    | -   | -                        | 483            | (6,533)              | (206)           | (6,256)                    |
| Net change in available-for-sale<br>investment securities              | 25    | -   | -                        | (100,543)      | -                    | (1,455)         | (101,998)                  |
| Total income and expense for the year<br>recognised directly in equity |       | -   | -                        | (100,060)      | (6,533)              | (1,661)         | (108,254)                  |
| Net income for the year  |       | -   | -                        | -              | 175,276              | 4,477           | 179,753                    |
| Total income and expense for the year                                  |       | -   | -                        | (100,060)      | 168,743              | 2,816           | 71,499                     |
| Transfer to reserves   | 25    | -   | -                        | 29,573         | (29,573)             | -               | -                          |
| Net disposal of treasury shares  | 24    | -   | 918                      | -              | -                    | -               | 918                        |
| Share based payment reserves   | 25    | -   | -                        | (1,262)        | -                    | -               | (1,262)                    |
| Equity dividends   |       | -   | -                        | -              | (93,591)             | -               | (93,591)                   |
| Dividends of subsidiaries  |       | -   | -                        | -              | -                    | (2,589)         | (2,589)                    |
| <b>Balance at October 31, 2008</b>                                     |       | 1,117,349                                       | (500)                    | (371,997)      | 565,889              | 25,054          | 1,335,795                  |

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED OCTOBER 31, 2008**  
(expressed in thousands of United States dollars)

|  | 2008             | 2007             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Cash flows from operating activities</b>  |                  |                  |
| Income before taxation and minority interest   | 201,973          | 284,433          |
| Provision for loan loss impairment   | 32,015           | 17,029           |
| Depreciation of property and equipment   | 24,947           | 28,572           |
| Amortisation of intangible assets  | 2,963            | 2,960            |
| Net gains on sale of property and equipment  | (1,019)          | (247)            |
| Net gains on sale and redemption of investment securities                            | (380)            | (54,403)         |
| Net hedge relationship losses  | 6,425            | -                |
| Share based payment reserve  | (1,262)          | 902              |
| Interest income earned on investment securities                                      | (109,030)        | (54,555)         |
| Interest expense incurred on borrowed funds and debt securities                      | 20,651           | 69,177           |
| Cash flows from operating profits before changes in operating assets and liabilities | <u>177,283</u>   | <u>293,868</u>   |
| <b>Changes in operating assets and liabilities:</b>                                  |                  |                  |
| -net decrease/(increase) in due from banks   | 186,317          | (157,377)        |
| -net decrease in financial assets at fair value through profit or loss               | 587,372          | 37,729           |
| -net increase in loans and advances to customers                                     | (766,922)        | (466,319)        |
| -net decrease/(increase) in other assets   | 62,775           | (47,465)         |
| -net (decrease)/increase in customer deposits  | (79,636)         | 139,735          |
| -net (decrease)/increase in other liabilities  | (56,217)         | 48,482           |
| Corporate taxes paid   | (26,461)         | (12,868)         |
| <b>Net cash from/(used in) operating activities</b>                                  | <u>84,511</u>    | <u>(164,215)</u> |
| <b>Cash flows from investing activities</b>  |                  |                  |
| Purchases of property and equipment  | (17,504)         | (27,317)         |
| Proceeds from sale of property and equipment   | 2,422            | 2,669            |
| Purchases of investment securities   | (1,220,334)      | (1,437,693)      |
| Proceeds from sale of investment securities  | 1,587,186        | 590,465          |
| Interest income received on investment securities                                    | 108,491          | 44,461           |
| <b>Net cash from/(used in) investing activities</b>                                  | <u>460,261</u>   | <u>(827,415)</u> |
| <b>Cash flows from financing activities</b>  |                  |                  |
| Net (repayments)/proceeds from other borrowed funds and debt securities              | (758,507)        | 86,866           |
| Interest expense paid on other borrowed funds and debt securities                    | (32,194)         | (58,618)         |
| Dividends paid to equity holders of the parent                                       | (93,591)         | (93,325)         |
| Dividends paid to minority interest  | (2,589)          | (2,704)          |
| Net disposal/(purchase) of treasury shares   | 918              | (992)            |
| Contributed surplus by parent  | -                | 3,119            |
| Net repayments to related parties  | -                | (1,293)          |
| <b>Net cash used in financing activities</b>   | <u>(885,963)</u> | <u>(66,947)</u>  |
| <b>Net decrease in cash and cash equivalents for the year</b>                        | (341,191)        | (1,058,577)      |
| Effect of exchange rate changes on cash and cash equivalents                         | (6,256)          | (6,009)          |
| Cash and cash equivalents, beginning of year   | <u>1,012,377</u> | <u>2,076,963</u> |
| <b>Cash and cash equivalents, end of year (note 8)</b>                               | <u>664,930</u>   | <u>1,012,377</u> |

**Board of Directors as at October 31, 2008:**

Michael Mansoor – Chairman;  
John Orr - CEO;  
Ronald Lalonde;  
Richard Venn;  
Thomas Wood;  
David Williamson;  
Sir Alan Fields;  
Sir Fred Gollop;  
G. Diane Stewart;  
David Ritch; and  
Paula Rajkurmarsingh.

*The above information is an extract from the full financial statements within the meaning of the related Banking Act and will be available at our website [www.firstcaribbeanbank.com](http://www.firstcaribbeanbank.com) by February 28, 2009. The full financial statements can be inspected upon request at that time.*