

# FirstCaribbean International Bank (Jamaica) Limited

## Unaudited Consolidated Financial Statements

For the Quarter ended January 31, 2009 (expressed in thousands of Jamaican dollars)



**FIRSTCARIBBEAN**  
INTERNATIONAL BANK

### CHAIRMAN'S REVIEW

For the quarter ended January 31, 2009

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$356 million for the quarter ended January 31, 2009, compared to \$205 million for the prior year period. The prior year comparative includes a \$76 million (\$51 million net of tax) loss as the Group was unable to claim hedge accounting for certain interest rate hedges. The Group has since reinstated these hedges from an accounting perspective and this quarter includes a gain of \$41 million (\$27 million net of tax). Fee income increased by 57 million (\$38 million net of tax), and foreign exchange trading and translation gains rose by \$82 million (\$55 million net of tax) over last year.

Net interest income for the quarter ended January 31, 2009 was \$810 million, representing an increase of \$88 million or 12.2% over prior year and was due primarily to the growth in our loan volumes. Total revenues for the quarter were \$1,193 million compared to \$850 million for the comparable period in 2008. Non-interest expense for the quarter was \$602 million compared to \$496 million for the comparable period in 2008. This increase was primarily driven by higher remuneration expenses to employees.

Total assets stood at \$56,436 million as at January 31, 2009 compared to \$43,205 million as at January 31, 2008. Loans and advances to customers amounted to \$39,220 million reflecting a year on year growth of \$8,192 million or 26.4%. We are satisfied with the quality of our loan portfolio. Customer Deposits amounted to \$47,122 million, reflecting an increase of \$12,271 million or 35.2%.

As at January 31, 2009 Stockholders' Equity stood at \$6,732 million registering a 15.5% increase over the prior year's balance of \$ 5,831 million.

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

March 12, 2009

#### 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](http://www.firstcaribbeanbank.com).

### CONDENSED CONSOLIDATED BALANCE SHEET

Assets	Unaudited January 31, 2009	Unaudited January 31, 2008	Audited October 31, 2008
Cash and balances with Central Bank	8,455,067	6,426,421	8,283,849
Loans and advances to banks	3,645,438	2,285,702	1,865,287
Other assets	1,918,159	1,005,000	1,792,449
Investment securities	1,572,391	892,434	1,101,528
Government securities purchased under resale agreements	225,058	216,698	262,066
Loans and advances to customers	39,219,754	31,027,575	34,936,630
Property, plant and equipment	544,021	488,295	549,935
Deferred tax assets	12,190	4,514	9,644
Retirement benefit assets	843,568	858,798	824,680
<b>Total assets</b>	<b>56,435,646</b>	<b>43,205,437</b>	<b>49,626,068</b>
<b>Liabilities</b>			
Customer deposits	47,121,863	34,851,212	41,368,967
Other liabilities	1,304,412	554,477	858,201
Taxation payable	292,801	121,398	211,871
Deferred tax liabilities	205,649	217,152	182,756
Retirement benefit obligations	55,329	73,303	57,180
Government securities sold under repurchase agreements	200,000	—	—
Debt securities in issue	523,210	1,557,033	499,950
<b>Total liabilities</b>	<b>49,703,264</b>	<b>37,374,575</b>	<b>43,178,925</b>
<b>Stockholders' Equity</b>			
Share capital	1,396,667	1,396,667	1,396,667
Reserves	4,241,450	3,819,400	4,312,247
Retained earnings	1,094,265	614,795	738,229
<b>Total equity</b>	<b>6,732,382</b>	<b>5,830,862</b>	<b>6,447,143</b>
<b>Total stockholders' equity and liabilities</b>	<b>56,435,646</b>	<b>43,205,437</b>	<b>49,626,068</b>

**Michael Mansoor**  
Chairman

**Clovis Metcalfe**  
Managing Director

### CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended January 31, 2009	Unaudited Quarter ended January 31, 2008	Audited Year ended October 31, 2008
Interest income	1,359,817	1,205,665	4,977,464
Interest expenses	(549,735)	(483,627)	(1,882,011)
<b>Net interest income</b>	<b>810,082</b>	<b>722,038</b>	<b>3,095,453</b>
Non-interest income	383,109	128,108	594,480
<b>Total revenues</b>	<b>1,193,191</b>	<b>850,146</b>	<b>3,689,933</b>
Non-interest expenses	(602,441)	(495,860)	(2,312,495)
Loan loss impairment	(58,013)	(41,798)	(130,961)
	(660,454)	(537,658)	(2,443,456)
<b>Income before taxation</b>	<b>532,737</b>	<b>312,488</b>	<b>1,246,477</b>
<b>Taxation</b>	<b>(176,701)</b>	<b>(107,351)</b>	<b>(411,424)</b>
<b>Net income for the period</b>	<b>356,036</b>	<b>205,137</b>	<b>835,053</b>
Weighted average number of common shares outstanding (000's)	265,757	265,757	265,757
<b>Net income per common share in cents</b>	<b>134.0</b>	<b>77.2</b>	<b>314.2</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Quarter ended January 31, 2009	Unaudited Quarter ended January 31, 2008	Audited Year ended October 31, 2008
Net cash provided by/(used in) operating activities	1,264,356	2,632,494	5,068,725
Net cash (used in)/provided by investing activities	(515,943)	3,179	(376,170)
Net cash (used in)/provided by financing activities	—	—	(1,000,050)
<b>Net increase in cash and cash equivalents</b>	<b>748,413</b>	<b>2,635,673</b>	<b>3,692,505</b>
Cash and cash equivalents, beginning of period	7,302,512	3,610,007	3,610,007
<b>Cash and cash equivalents, end of period</b>	<b>8,050,925</b>	<b>6,245,680</b>	<b>7,302,512</b>

### SEGMENT FINANCIAL INFORMATION

	Retail & Wealth	Corporate Investment Banking	Treasury Sales & Trading	Strategic Support Units	Eliminations	Group
<b>January 31, 2009</b>						
External revenues	457,284	939,625	235,545	110,472	—	1,742,926
Revenues from other segments	65,274	(157,418)	212,547	—	(120,403)	—
<b>Total revenues</b>	<b>522,558</b>	<b>782,207</b>	<b>448,092</b>	<b>110,472</b>	<b>(120,403)</b>	<b>1,742,926</b>
<b>Segment result</b>	<b>76,517</b>	<b>255,944</b>	<b>321,833</b>	<b>(121,557)</b>	<b>—</b>	<b>532,737</b>
Taxation						(176,701)
<b>Net income for the period</b>						<b>356,036</b>
Segment assets	22,627,640	25,963,307	12,736,954	38,608	(4,943,052)	56,423,456
Unallocated assets						12,190
<b>Total assets</b>						<b>56,435,646</b>
Segment liabilities	18,586,350	21,730,284	12,862,011	605,221	(4,579,052)	49,204,814
Unallocated liabilities						498,450
<b>Total liabilities</b>						<b>49,703,264</b>
<b>Other segment items:</b>						
Capital expenditure	875	118	—	20,373	—	21,366
Depreciation	13,762	222	1,078	10,034	—	25,096
Loan loss expenses	1,530	56,483	—	—	—	58,013
<b>January 31, 2008</b>						
External revenues	449,818	840,894	98,042	(54,981)	—	1,333,773
Revenues from other segments	27,209	(75,004)	133,614	—	(85,819)	—
<b>Total revenues</b>	<b>477,027</b>	<b>765,890</b>	<b>231,656</b>	<b>(54,981)</b>	<b>(85,819)</b>	<b>1,333,773</b>
<b>Segment result</b>	<b>104,053</b>	<b>437,776</b>	<b>5,197</b>	<b>(234,538)</b>	<b>—</b>	<b>312,488</b>
Taxation						(107,351)
<b>Net income for the period</b>						<b>205,137</b>
Segment assets	20,980,863	20,699,361	4,039,742	1,308,227	(3,827,270)	43,200,923
Unallocated assets						4,514
<b>Total assets</b>						<b>43,205,437</b>
Segment liabilities	16,481,475	17,760,958	4,436,004	1,820,858	(3,463,270)	37,036,025
Unallocated liabilities						338,550
<b>Total liabilities</b>						<b>37,374,575</b>
<b>Other segment items:</b>						
Capital expenditure	4,761	350	203	9,060	—	14,374
Depreciation	9,493	160	825	20,802	—	31,280
Loan loss expenses	28,784	13,014	—	—	—	41,798

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### CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

	Number of Shares (‘000)	Share Capital J\$'000	Capital Reserve J\$'000	Statutory Reserve Fund J\$'000	Retained Earnings Reserve J\$'000	Building Society's Reserve J\$'000	Loan Loss Reserve J\$'000	Fair Value Reserve J\$'000	Total Share Capital & Reserves J\$'000	Retained Earnings J\$'000	Total Equity J\$'000
<b>Balance as as November 1, 2007</b>	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
<b>Net income</b>	—	—	—	—	—	—	—	—	—	205,137	205,137
Transfer to statutory reserve fund	—	—	—	470,000	—	—	—	—	470,000	(470,000)	—
Transfer to loan loss reserve	—	—	—	—	—	—	—	—	—	—	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	8,066	8,066	—	8,066
<b>Balance as at January 31, 2008</b>	265,757	1,396,667	12,833	1,626,667	1,776,163	45,522	323,748	34,467	5,216,067	614,795	5,830,862
<b>Balance as at November 1, 2008</b>	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	360,230	20,832	5,708,914	738,229	6,447,143
<b>Net income</b>	—	—	—	—	—	—	—	—	—	356,036	356,036
Transfer to statutory reserve fund	—	—	—	—	—	—	—	—	—	—	—
Transfer to loan loss reserve	—	—	—	—	—	—	—	—	—	—	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(70,797)	(70,797)	—	(70,797)
<b>Balance as at January 31, 2009</b>	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	360,230	(49,965)	5,638,117	1,094,265	6,732,382

### 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, 2008. 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 of 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

##### Segment reporting

During the first quarter of 2009, certain changes were made to the bank's organisation structure. These changes were designed to better align the organisation structure to the business strategy. As a result, the reporting segments were revised, resulting in the reclassification of certain assets and liabilities and their associated income and expenses.

The Group's operations are located solely in Jamaica.