

# FirstCaribbean International Bank (Jamaica) Limited



FIRSTCARIBBEAN  
INTERNATIONAL BANK

## Unaudited Consolidated Financial Statements

For the six months ended April 30, 2009 (expressed in thousands of Jamaican dollars)

### CHAIRMAN'S REVIEW

For the six months ended April 30, 2009

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$602 million for the six-month period ended April 30, 2009, as against \$354 million for the prior year comparative period. Prior year results included a \$121 million (\$80 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 year to date results include a gain of \$51 million (\$34 million net of tax). Fee income increased by \$116 million (\$78 million net of tax) primarily due to underwriting and syndication activities; and foreign exchange gains rose by \$120 million (\$80 million net of tax) over the comparable period last year.

Net interest income for the six month period was \$1,595 million, representing an increase of \$175 million or 12.3% over prior year and was largely driven by growth in our loan volumes. Total revenues for the six months were \$2,244 million compared to \$1,660 million in 2008. Non-interest expense for the six months was \$1,269 million (\$1,060 million as at April 30, 2008). This increase was driven primarily by higher remuneration expenses to employees.

Total assets stood at \$55,369 million as at April 30, 2009 compared to \$45,195 million as at April 30, 2008. Net loans and advances to customers amounted to \$38,332 million reflecting a year on year growth of \$9,215 million or 31.6%. We are satisfied with the quality of our loan portfolio. Customer Deposits amounted to \$46,313 million, reflecting an increase of \$9,830 million or 26.9%.

As at April 30, 2009 Stockholders' Equity stood at \$6,986 million registering a 17.7% increase over the prior year's balance of \$5,937 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

June 11, 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 are 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 terrorist 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

	Unaudited April 30, 2009	Unaudited April 30, 2008	Audited October 31, 2008
<b>Assets</b>			
Cash and balances with Central Bank	8,396,672	9,039,806	8,283,849
Loans and advances to banks	3,769,201	2,643,942	1,865,287
Other assets	1,870,796	1,372,873	1,792,449
Investment securities	1,325,297	1,282,316	1,101,528
Government securities purchased under resale agreements	233,712	346,729	262,066
Loans and advances to customers	38,331,900	29,117,162	34,936,630
Property, plant and equipment	578,866	498,445	549,935
Deferred tax assets	—	5,704	9,644
Retirement benefit assets	862,456	887,796	824,680
<b>Total assets</b>	<b>55,368,900</b>	<b>45,194,773</b>	<b>49,626,068</b>
<b>Liabilities</b>			
Customer deposits	46,312,513	36,482,557	41,368,967
Other liabilities	1,135,479	888,436	858,201
Taxation payable	194,455	93,652	211,871
Deferred tax liabilities	187,324	203,563	182,756
Retirement benefit obligations	53,478	70,516	57,180
Debt securities in issue	499,950	1,519,075	499,950
<b>Total liabilities</b>	<b>48,383,199</b>	<b>39,257,799</b>	<b>43,178,925</b>
<b>Stockholders' Equity</b>			
Share capital	1,396,667	1,396,667	1,396,667
Reserves	4,248,950	3,776,161	4,312,247
Retained earnings	1,340,084	764,146	738,229
<b>Total equity</b>	<b>6,985,701</b>	<b>5,936,974</b>	<b>6,447,143</b>
<b>Total stockholders' equity and liabilities</b>	<b>55,368,900</b>	<b>45,194,773</b>	<b>49,626,068</b>

**Michael Mansoor**  
Chairman

**Clovis Metcalfe**  
Managing Director

### CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended April 30, 2009	Unaudited Six months ended April 30, 2009	Unaudited Quarter ended April 30, 2008	Unaudited Six months ended April 30, 2008	Audited Year ended October 31, 2008
Interest income	1,328,135	2,687,952	1,175,884	2,381,549	4,977,464
Interest expenses	(543,562)	(1,093,297)	(477,910)	(961,537)	(1,882,011)
<b>Net interest income</b>	<b>784,573</b>	<b>1,594,655</b>	<b>697,974</b>	<b>1,420,012</b>	<b>3,095,453</b>
Non-interest income	266,611	649,720	112,181	240,289	594,480
<b>Total revenues</b>	<b>1,051,184</b>	<b>2,244,375</b>	<b>810,155</b>	<b>1,660,301</b>	<b>3,689,933</b>
Non-interest expenses	(666,408)	(1,268,849)	(564,076)	(1,059,936)	(2,312,495)
Loan loss impairment	(12,434)	(70,447)	(37,688)	(79,486)	(130,961)
	(678,842)	(1,339,296)	(601,764)	(1,139,422)	(2,443,456)
<b>Income before taxation</b>	<b>372,342</b>	<b>905,079</b>	<b>208,391</b>	<b>520,879</b>	<b>1,246,477</b>
Taxation	(126,523)	(303,224)	(59,040)	(166,391)	(411,424)
<b>Net income for the period</b>	<b>245,819</b>	<b>601,855</b>	<b>149,351</b>	<b>354,488</b>	<b>835,053</b>
Weighted average number of common shares outstanding (000's)	265,757	265,757	265,757	265,757	265,757
Net income per common share in cents	92	226	56	133	314

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended April 30, 2009	Unaudited Six months ended April 30, 2008	Audited Year ended October 31, 2008
Net cash provided by operating activities	592,669	6,132,810	5,006,980
Net cash used in investing activities	(300,262)	(631,596)	(376,170)
Net cash used in financing activities	—	—	(1,000,050)
<b>Net increase in cash and cash equivalents</b>	<b>292,407</b>	<b>5,501,214</b>	<b>3,630,760</b>
Effect of exchange rate changes on cash and cash equivalents	503,362	107,594	61,745
<b>Cash and cash equivalents, beginning of period</b>	<b>7,302,512</b>	<b>3,610,007</b>	<b>3,610,007</b>
<b>Cash and cash equivalents, end of period</b>	<b>8,098,281</b>	<b>9,218,815</b>	<b>7,302,512</b>

### SEGMENT FINANCIAL INFORMATION

	Retail & Wealth	Corporate Investment Banking	Treasury Sales & Trading	Strategic Support Units	Eliminations	Group
<b>April 30, 2009</b>						
External revenues	1,059,564	1,554,086	642,032	81,990	—	3,337,672
Revenues from other segments	247,257	(208,082)	179,233	—	(218,407)	—
<b>Total revenues</b>	<b>1,059,564</b>	<b>1,211,041</b>	<b>860,439</b>	<b>81,990</b>	<b>(218,407)</b>	<b>2,994,627</b>
<b>Segment result</b>	<b>173,891</b>	<b>797,420</b>	<b>376,942</b>	<b>(443,173)</b>	<b>—</b>	<b>905,079</b>
Taxation	—	—	—	—	—	(303,224)
<b>Net income for the period</b>						<b>601,855</b>
Segment assets	12,881,286	25,714,108	17,752,369	2,914,108	(3,892,971)	55,368,900
Unallocated assets	—	—	—	—	—	—
<b>Total assets</b>						<b>55,368,900</b>
Segment liabilities	19,726,961	19,601,988	11,319,087	763,491	(3,410,107)	48,001,420
Unallocated liabilities	—	—	—	—	—	381,779
<b>Total liabilities</b>						<b>48,383,199</b>
<b>Other segment items:</b>						
Capital expenditure	21,395	118	—	59,593	—	81,106
Depreciation	27,846	444	2,156	19,737	—	50,183
Loan loss expenses	69,039	1,408	—	—	—	70,447
<b>April 30, 2008 (Restated)</b>						
External revenues	948,440	1,428,025	337,095	(91,722)	—	2,621,838
Revenues from other segments	219,542	(4,027)	(35,442)	—	(180,074)	—
<b>Total revenues</b>	<b>1,177,469</b>	<b>1,384,910</b>	<b>331,255</b>	<b>(91,722)</b>	<b>(180,074)</b>	<b>2,621,838</b>
<b>Segment result</b>	<b>174,536</b>	<b>879,318</b>	<b>(44,492)</b>	<b>(488,485)</b>	<b>—</b>	<b>520,878</b>
Taxation	—	—	—	—	—	(166,390)
<b>Net income for the period</b>						<b>354,488</b>
Segment assets	11,644,863	18,072,019	14,422,375	4,980,878	(3,931,066)	45,189,069
Unallocated assets	—	—	—	—	—	5,704
<b>Total assets</b>						<b>45,194,773</b>
Segment liabilities	16,749,981	17,959,891	5,881,246	1,936,567	(3,567,101)	38,960,584
Unallocated liabilities	—	—	—	—	—	297,215
<b>Total liabilities</b>						<b>39,257,799</b>
<b>Other segment items:</b>						
Capital expenditure	11,227	671	1,891	41,723	—	55,512
Depreciation	18,934	352	2,025	42,342	—	63,653
Loan loss expenses	52,249	27,237	—	—	—	79,486

### 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>	—	—	—	—	—	—	—	—	—	354,488	354,488
Transfer to statutory reserve fund	—	—	—	470,000	—	—	—	—	470,000	(470,000)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(35,173)	(35,173)	—	(35,173)
<b>Balance as at April 30, 2008</b>	265,757	1,396,667	12,833	1,626,667	1,776,163	45,522	323,748	(8,772)	5,172,828	764,146	5,936,974
<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>	—	—	—	—	—	—	—	—	—	601,855	601,855
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	(63,297)	(63,297)	—	(63,297)
<b>Balance as at April 30, 2009</b>	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	360,230	(42,465)	5,645,617	1,340,084	6,985,701

### 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

Effective November 1, 2008, certain changes were made to the bank's organisation structure. These changes were designed to better align the organisation structure to the business strategy. Wealth Management and the Cards Issuing business, previously reported in 'Other Financial Services' have now been merged with Retail Banking to form the Retail and Wealth unit. Capital Markets unit previously reported in 'Other Financial Services' have now been merged with Corporate Banking to form the Corporate Investment Banking unit. As a result, the reporting segments were streamlined and merged, resulting in the reclassification of certain assets and liabilities and their associated income and expenses. Comparatives for the prior year were restated to reflect the new segment results.

The Group's operations are located solely in Jamaica.