

FirstCaribbean International Bank (Jamaica) Limited

Condensed Unaudited Consolidated Financial Statements

For the Year ended October 31, 2009 (expressed in thousands of Jamaican dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

For the year ended October 31, 2009

FirstCaribbean International Bank (Jamaica) Limited recorded net income after taxation (NIAT) of \$886 million for the year ended October 31, 2009, up by 6.1% compared to \$835 million reported for the prior year.

Non-interest income increased by \$462 million or 77.8% compared to prior year. Gains totaling \$135 million were realized on the sale of investment securities. Fee income increased by \$91 million or 17.7% resulting from increased underwriting and syndication activities. Prior year results include a \$160 million 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 year's results include a gain of \$104 million.

Net interest income for the year was \$3.3 billion, representing an increase of \$205 million or 6.6% over prior year and was largely driven by growth in average loan balances during the course of the year. Total revenues for the year were \$4.4 billion compared to \$3.7 billion in 2008. Non-interest expenses increased by \$288 million or 12.5% due primarily to higher remuneration expenses pursuant to contractual agreements. Loan Loss expenses rose by \$318 million and this reflects in the main the impact of the prevailing economic conditions.

Total assets stood at \$52.6 billion as at October 31, 2009 compared to \$49.6 billion as at October 31, 2008. Net loans and advances to customers amounted to \$34.4 billion which is marginally lower than prior year by 1.6%. Customer deposits amounted to \$43.9 billion, reflecting an increase of \$2.53 billion or 6.1%.

As at October 31, 2009 Stockholders' Equity stood at \$7.2 billion, representing a 12.5% increase over the prior year's balance of \$6.4 billion. A dividend of 40 cents per share was paid to shareholders on October 29, 2009.

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, 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 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, 2009	Audited October 31, 2008
Assets		
Cash and balances with Central Bank	7,814,217	8,283,849
Due from other banks	5,172,697	1,976,639
Investment securities	2,294,308	1,101,528
Government securities purchased under resale agreements	252,024	262,066
Loans and advances to customers	34,385,404	34,936,630
Property, plant and equipment	654,000	549,935
Deferred tax assets	7,090	9,644
Retirement benefit assets	874,124	824,680
Other assets	1,201,986	1,681,097
Total assets	52,655,850	49,626,068
Liabilities		
Customer deposits	43,900,172	41,368,967
Taxation payable	85,938	211,871
Deferred tax liabilities	216,276	182,756
Retirement benefit obligations	39,330	57,180
Debt securities in issue	—	499,950
Other liabilities	1,157,971	858,201
Total liabilities	45,399,687	43,178,925
Stockholders' Equity		
Share capital	1,396,667	1,396,667
Reserves	4,583,571	4,312,247
Retained earnings	1,275,925	738,229
Total equity	7,256,163	6,447,143
Total stockholders' equity and liabilities	52,655,850	49,626,068

Michael Mansoor
Chairman

Clovis Metcalfe
Managing Director

CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended October 31, 2009	Unaudited Year ended October 31, 2009	Unaudited Quarter ended October 31, 2008	Audited Year ended October 31, 2008
Interest income	1,274,974	5,220,049	1,313,458	4,981,749
Interest expenses	(400,238)	(1,919,876)	(465,732)	(1,886,296)
Net interest income	874,736	3,300,173	847,726	3,095,453
Non-interest income	187,883	1,056,706	193,304	594,480
Total revenues	1,062,619	4,356,879	1,041,030	3,689,933
Non-interest expenses	(672,791)	(2,600,733)	(695,781)	(2,312,495)
Loan loss impairment	(263,858)	(448,859)	(43,121)	(130,961)
	(936,649)	(3,049,592)	(738,902)	(2,443,456)
Income before taxation	125,970	1,307,287	302,128	1,246,477
Taxation	(20,733)	(420,629)	(103,451)	(411,424)
Net income for the period	105,237	886,658	198,677	835,053
Weighted average number of common shares outstanding (000's)	265,757	265,757	265,757	265,757
Net income per common share in cents	39.6	333.6	74.8	314.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Year ended October 31, 2009	Audited Year ended October 31, 2008
Net cash provided by operating activities	2,801,331	5,118,332
Net cash used in investing activities	(1,317,874)	(376,170)
Net cash used in financing activities	(606,253)	(1,000,050)
Net increase in cash and cash equivalents	877,204	3,742,112
Effect of exchange rate changes on cash and cash equivalents	1,054,506	61,745
Cash and cash equivalents, beginning of period	7,413,864	3,610,007
Cash and cash equivalents, end of period	9,345,574	7,413,864

SEGMENT REPORTING

	Retail Banking	Corporate Banking	Other Financial Services	Unallocated Support Unit Costs	Eliminations	Group
October 31, 2009						
External revenues	2,029,357	3,033,683	1,026,908	186,807	—	6,276,755
Revenues from other segments	(314,643)	(961,911)	1,608,922	—	(332,368)	—
Total revenues	1,714,714	2,071,772	2,635,830	186,807	(332,368)	6,276,755
Segment result	(679,094)	918,947	1,993,630	(926,196)	—	1,307,287
Taxation						(420,629)
Net income for the period						886,658
Segment assets	12,240,120	22,361,376	18,517,970	2,756,308	(3,227,014)	52,648,760
Unallocated assets						7,090
Total assets						52,655,850
Segment liabilities	19,805,893	11,573,273	15,921,480	540,941	(2,744,114)	45,097,473
Unallocated liabilities						302,214
Total liabilities						45,399,687
Other segment items:						
Capital expenditure	102,547	7,905	1,808	105,567	—	217,827
Depreciation	46,287	1,065	5,040	56,871	—	109,263
Loan loss expenses	237,015	211,844	—	—	—	448,859
October 31, 2008						
External revenues	1,958,774	2,822,398	899,734	(104,677)	—	5,576,229
Revenues from other segments	570,215	105,168	(285,581)	—	(389,802)	—
Total revenues	2,528,989	2,927,566	614,153	(104,677)	(389,802)	5,576,229
Segment result	500,906	1,888,789	(101,254)	(1,041,964)	—	1,246,477
Taxation						(411,424)
Net income for the period						835,053
Segment assets	12,729,385	23,071,833	12,397,817	5,846,612	(4,429,223)	49,616,424
Unallocated assets						9,644
Total assets						49,626,068
Segment liabilities	17,703,283	21,127,491	7,457,749	553,900	(4,058,125)	42,784,298
Unallocated liabilities						394,627
Total liabilities						43,178,925
Other segment items:						
Capital expenditure	128,691	992	4,244	39,065	—	172,992
Depreciation	48,903	786	4,685	66,415	—	120,789
Loan loss expenses	93,810	37,151	—	—	—	130,961

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 as 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	—	—	—	—	—	—	—	(5,569)	(5,569)	—	(5,569)
Balance as at October 31, 2008	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
Balance as at November 1, 2008	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
Net income	—	—	—	—	—	—	—	—	—	886,658	886,658
Transfer to loan loss reserve	—	—	—	—	—	—	242,659	—	242,659	(242,659)	—
MTM fair value of available-for-sale investment	—	—	—	—	—	—	—	28,665	28,665	—	28,665
Dividends	—	—	—	—	—	—	—	—	—	(106,303)	(106,303)
Balance as at October 31, 2009	265,757	1,396,667	12,833	2,096,667	1,776,163	45,522	602,889	49,497	5,980,238	1,275,925	7,256,163

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.

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. Treasury Sales & Trading previously reported in 'Other Financial Services' have now been broken out and presented separately. 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.

Effective November 1, 2008, the Bank changed its transfer pricing methodology. The comparative year however was not restated to reflect these changes, as it were deemed impracticable to determine the cumulative effect at the beginning of the current period, of applying the new methodology to the prior period. Consequently, the impact of the new methodology will be reflected prospectively.

The Group's operations are located solely in Jamaica.