

# FirstCaribbean International Bank (Bahamas) Limited

## Consolidated Financial Statements

For the Quarter ended January 31, 2004 (expressed in Bahamas dollars)



**FIRSTCARIBBEAN**  
INTERNATIONAL BANK

Chairman's Review of the Results  
For the Quarter ended January 31, 2004

The consolidated net income of FirstCaribbean International Bank (Bahamas) Limited for the quarter ending January 31, 2004 was \$16.8 million before integration charges and goodwill amortisation. Consolidated net income after these charges was \$14.3 million for the first quarter of fiscal 2004. Earnings per share before integration charges and goodwill amortisation was 14 cents and after these charges amounted to 12 cents.

On a comparative basis, the Bank increased its net interest income by 3% over the first quarter of last year to \$21.8 million, which resulted in an increase of 0.1% in the net interest margin for the quarter to 2.7%. Interest income increased by \$2.2 million as net loan balances increased by \$52.9 million or 3% over last year. At January 31, 2004, the net loan balance had climbed to \$1,572 million with significant growth in residential mortgages and business loans. Non-interest revenue rose to \$10.9 million, an increase of \$1.6 million in fees and commissions when compared to the same period last year.

General expenses were well managed during this first quarter, which improved the Bank's efficiency ratio, that is, the expenses as a percentage of revenue, from 48.5% last year to 44%.

The total assets of the Bank stood at \$3,213 million at January 31, 2004, \$29 million greater than last year. Total deposit liabilities of \$2,664 million remained relatively unchanged. The return on assets for the first quarter was 1.8% which is an improvement of 0.4% from last year. Likewise the return on equity (before integration and goodwill charges) increased 0.7% to 21.5% for the quarter.

We have integrated the two heritage banks, having completed the implementation of a standard technology platform for all branches of the Bank. We are happy to report that the first quarter of this fiscal year has shown improvement in the performance of the Bank.

**Michael K. Mansoor**  
Chairman

### CONSOLIDATED BALANCE SHEET B\$'000

	Unaudited January 31, 2004	Unaudited January 31, 2003	Audited October 31, 2003
<b>Assets</b>			
Cash resources	1,107,175	1,058,537	1,111,395
Securities	247,090	346,156	334,705
Loans	1,571,811	1,518,931	1,497,105
Goodwill	185,285	193,887	187,747
Fixed assets	28,953	26,856	28,799
Other assets	73,184	39,891	55,449
	<u>3,213,498</u>	<u>3,184,258</u>	<u>3,215,200</u>
<b>Liabilities</b>			
Total deposits	2,664,412	2,668,611	2,670,897
Other liabilities	51,426	36,385	41,663
	<u>2,715,838</u>	<u>2,704,996</u>	<u>2,712,560</u>
<b>Equity</b>			
Share capital & reserves	413,664	409,262	413,664
Retained earnings	83,996	70,000	88,976
	<u>497,660</u>	<u>479,262</u>	<u>502,640</u>
	<u>3,213,498</u>	<u>3,184,258</u>	<u>3,215,200</u>

SHARON BROWN, DIRECTOR

TERRY HILTS, DIRECTOR

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY B\$000's

	Share Capital and Reserves \$	Retained Earnings \$	Total \$
Balance at October 31, 2002	409,262	58,459	467,721
Net income for the period	—	11,541	11,541
Dividends	—	—	—
Balance at January 31, 2003	<u>409,262</u>	<u>70,000</u>	<u>479,262</u>
Balance at October 31, 2003	413,664	88,976	502,640
Net income for the period	—	14,254	14,254
Dividends	—	(19,234)	(19,234)
Balance at January 31, 2004	<u>413,664</u>	<u>83,996</u>	<u>497,660</u>

### CONSOLIDATED STATEMENT OF INCOME B\$'000

	Unaudited Three Months Ended January 31, 2004	Unaudited Three Months Ended January 31, 2003	Audited Year Ended October 31, 2003
Total interest income	34,876	32,681	137,888
Total interest expenses	(13,123)	(11,571)	(50,294)
Net interest income	21,753	21,110	87,594
Non-interest income	10,868	9,310	39,630
	<u>32,621</u>	<u>30,420</u>	<u>127,224</u>
Non-interest expenses	14,341	14,740	59,511
Provision for credit losses	1,446	1,236	9,132
	<u>15,787</u>	<u>15,976</u>	<u>68,643</u>
Operating profit	16,834	14,444	58,581
Integration expenses	118	439	177
Goodwill amortisation	2,462	2,464	9,855
Net income	<u>14,254</u>	<u>11,541</u>	<u>48,549</u>

	Unaudited Three Months Ended January 31, 2004	Unaudited Three Months Ended January 31, 2003	Audited Year Ended October 31, 2003
Weighted average number of common shares outstanding for the period	120,216,204	119,463,600	119,812,066

Earnings per share (in cents)	11.9	9.7	40.5
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Earnings per share, before goodwill and integration expenses (in cents)	14.0	12.1	48.9
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### CONSOLIDATED STATEMENT OF CASH FLOWS B\$'000

	Unaudited Three Months Ended January 31, 2004	Unaudited Three Months Ended January 31, 2003	Audited Year Ended October 31, 2003
Net cash (used in) provided by operating activities	(71,963)	(29,708)	26,479
Net cash used in financing activities	(19,234)	—	(13,630)
Net cash provided by investing activities	86,977	10,563	18,599
Net (decrease) increase in cash and cash equivalents	(4,220)	(19,145)	31,448
Cash and cash equivalents, beginning of period	1,071,847	1,040,399	1,040,399
Cash and cash equivalents, end of period	<u>1,067,627</u>	<u>1,021,254</u>	<u>1,071,847</u>