

FirstCaribbean International Bank Limited

Chairman's Review For the period ended October 31, 2004

(All figures in \$US)

I am pleased to advise that the Bank has achieved good financial results for the fiscal year, despite the negative impact of Hurricane Ivan on loan loss provisions in Cayman and Grenada. In addition, the Bank successfully completed the integration of the two heritage banks, and we now have one integrated technological platform, common policies and procedures, a unified corporate culture and a strong brand.

During the period the Bank achieved exceptional growth in loans, particularly in mortgages and corporate loans. In total, loans increased by \$372 million for the year, an increase of 10.5%. Growth was widespread, with nine of the fifteen territories achieving growth greater than 10%.

Return on equity on a cash basis was 11.9% for the period and cash earnings per share were 6.7 cents. Operating profit was \$108.8 million as compared to \$103.6 million in 2003.

The Bank opted to early adopt IFRS 3 Business combinations, IAS 36 (revised 2004) Impairment of Assets and IAS 38 (revised 2004) Intangible Assets. The effect is that Goodwill ceases to be amortised effective November 1, 2003 and is now subject to an annual impairment test. This year's test has been completed and revealed no impairment in goodwill for the current fiscal. On this basis Net Income for 2004 was \$88.5 million versus \$71.1 million in the prior year.

The Directors have approved a final dividend of 1.25 cents per share, bringing the total dividend payout for 2004 to 2.5 cents per share (2003- 2.5 cents). The dividend will be paid on January 20th, 2005 to shareholders of record as of close of business on December 8th, 2004.

Subsequent to October 31, 2004, we have disposed of our portfolio holding of shares in Republic Bank Limited of Trinidad and Tobago. This sale was previously announced and the profit of \$117 million will be reflected in the first quarter's results for fiscal 2005. Proceeds of the sale will add to our already strong capital base.

We again wish to thank our customers for their support during this period of unprecedented change and transformation. Our management remains fully committed to providing the best level of customer service possible. Our staff has performed admirably in the difficult work of technological transformation and their sterling efforts are appreciated.

Michael K. Mansoor
Chairman