

FirstCaribbean International Bank (Bahamas) Limited

Consolidated Financial Statements

For the year ended October 31, 2005



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

The consolidated net income of FirstCaribbean International Bank (Bahamas) Limited for the fiscal year ended October 31, 2005 was \$99.5 million, having increased 61% over the net income of last year. Earnings per share for the year amounted to 82.8 cents, an increase of 31.5 cents over last year.

The Bank's net interest income for the year rose by \$27.6 million or 28% over last year's net interest income to \$126 million. Interest income increased by \$34 million with \$22 million attributed to loans as loan balances increased 18% driven by the strong growth in residential mortgages and business loans. Additionally, higher interest of \$12 million was earned on bank placements and the securities portfolios as the US fed rate rose by 2% since last year-end. The net interest margin for the year increased by 0.7% from last year to 3.8% for this fiscal year.

Operating expenses for this year were \$62 million, \$4 million lower than last year, resulting in the ratio of expenses to revenue improving to 38%.

The total assets of the Bank at October 31, 2005 grew by 7.6% or \$249 million to \$3,510 million as total loans grew by \$293 million to \$1,972 million at year-end. The total deposits of the Bank also increased by 5% or \$135 million to \$2,857 million at year-end. The return on assets for this year was 3.0% compared to 1.9% last year. The return on equity also improved significantly from 19.1% last year to 27.7% at the end of this fiscal year.

The Directors have declared a final dividend of 30 cents per share (18 cents last year) which reflects the strong performance of the bank for the year. This dividend will be paid on January 6, 2006 to shareholders of record at the close of business on December 28, 2005. The total dividends for the year amount to 50 cents per share compared to 33 cents last year.

We are pleased with the financial performance of the Bank for the year, which reflects the diligence, competence and commitment of our employees. We thank our customers and shareholders for their continuing loyalty and patronage during this past year and look forward to another successful year delivering superior customer service.

Michael K. Mansoor
Chairman

FirstCaribbean International Bank (Bahamas) Limited Notes to Consolidated Interim Financial Statements Year Ended October 31, 2005

1. Accounting Policies

These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of these consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended October 31, 2005.

The consolidated interim financial statements include the accounts of the following wholly owned subsidiaries:

FirstCaribbean International Finance Corporation (Bahamas) Limited
FirstCaribbean International (Bahamas) Nominees Company Limited
FirstCaribbean International Land Holdings (TCI) Limited

2. Comparatives

Where necessary, comparative figures have been adjusted to comply with changes in presentation in the current year. Total assets, liabilities and shareholders' equity have remained unchanged.

FirstCaribbean International Bank (Bahamas) Limited Consolidated Balance Sheet BS'000

Assets	Audited October 31, 2005	Audited October 31, 2004
Cash and advances to banks	791,661	865,860
Securities	468,811	457,642
Loans	1,972,392	1,679,181
Goodwill	187,747	187,747
Fixed assets	31,764	35,334
Other assets	57,767	35,219
Total assets	3,510,142	3,260,983
Liabilities		
Total deposits	2,856,737	2,721,980
Other liabilities	73,685	13,911
Total liabilities	2,930,422	2,735,891
Shareholders' Equity		
Share capital & reserves	417,281	414,364
Retained earnings	162,439	110,728
	579,720	525,092
Total liabilities and shareholders' equity	3,510,142	3,260,983

Sharon Brown
Director

Terence Hiltz
Director

FirstCaribbean International Bank (Bahamas) Limited Consolidated Statement of Changes in Shareholders' Equity BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2003, as restated	413,664	87,076	500,740
Net income for the period		61,618	61,618
Dividends		(37,266)	(37,266)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	700	(700)	-
Balance at October 31, 2004	414,364	110,728	525,092
Balance at October 31, 2004	414,364	110,728	525,092
Net income for the period		99,493	99,493
Dividends		(45,682)	(45,682)
Revaluation gains/(losses)	817		817
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	2,100	(2,100)	-
Balance at October 31, 2005	417,281	162,439	579,720

FirstCaribbean International Bank (Bahamas) Limited Consolidated Statement of Cash Flows BS'000

	Audited Year Ended October 31, 2005	Audited Year Ended October 31, 2004
Net cash provided by (used in) operating activities	(63,906)	(207,301)
Net cash used in financing activities	(45,682)	(37,266)
Net cash provided by (used in) investing activities	31,901	(14,770)
Net decrease in cash and cash equivalents	(77,687)	(259,337)
Cash and cash equivalents, beginning of year	819,798	1,079,135
Cash and cash equivalents, end of year	742,111	819,798

FirstCaribbean International Bank (Bahamas) Limited Consolidated Statement of Income BS'000

	Unaudited Quarter Ended		Audited Year Ended	
	October 31, 2005	October 31, 2004	October 31, 2005	October 31, 2004
Total interest income	50,674	42,668	188,119	153,961
Total interest expenses	(15,982)	(13,833)	(61,650)	(55,108)
Net interest income	34,692	28,835	126,469	98,853
Non-interest income	8,461	7,919	39,100	36,907
	43,153	36,754	165,569	135,760
Non-interest expenses	15,595	20,004	62,158	65,954
Provision for credit losses	(281)	1,819	3,918	7,909
	15,314	21,823	66,076	73,863
Operating profit	27,839	14,931	99,493	61,897
Integration expenses	-	(244)	-	279
Net income	27,839	15,175	99,493	61,618
Weighted average number of common shares outstanding for the year	120,216,204	120,216,204	120,216,204	120,216,204
Earnings per share (in cents)	23.2	12.6	82.8	51.3
Earnings per share, before goodwill and integration expenses (in cents)	23.2	12.4	82.8	51.5