

FirstCaribbean International Bank (Bahamas) Limited



FIRSTCARIBBEAN
INTERNATIONAL BANK

Consolidated Financial Statements

For the First Quarter ended January 31, 2006 (expressed in Bahamas dollars)

CHAIRMAN'S REVIEW OF THE RESULTS

For the first quarter ended January 31, 2006

The consolidated net income of FirstCaribbean International Bank (Bahamas) Limited for the first quarter of the 2006 fiscal year was \$29.2 million, an increase of 23% over last year. Earnings per share for the quarter was 24.3 cents, an increase of 4.6 cents over last year.

The Bank's net interest income continued to improve and amounted to \$35 million for the three months ended January 31, 2006. This amounted to a \$5 million or 15% improvement over the same period last year, as total loans were 29% higher than last year with significant growth in residential mortgages and business loans. Additionally, the US Fed Rate has increased by 2.25% from last year.

Operating expenses for the quarter were \$16.5 million, \$0.7 million higher than the same period last year as employee expenses were higher. The ratio of expenses to revenue improved by 3% over last year to 35% for the first quarter of this fiscal year.

The total assets of the Bank at January 31, 2006 were \$3.6 billion representing a growth of \$318 million or 9.7% from last year. Total loans grew by \$502 million to \$2.2 billion with residential mortgages and business loans accounting for \$448 million of the increase. Total deposits for the bank increased 8.3% or by \$227 million from last year to \$2.97 billion. Both the return on assets and the return on equity reflected the Bank's improved performance for the quarter when compared to the same quarter of last year.

We are looking forward to the continuation of this strong performance and another successful year as the economy continues to remain strong and the market conditions favorable.

Michael K. Mansoor
Chairman

CONSOLIDATED BALANCE SHEET

Assets	Unaudited		Audited
	January 31, 2006	January 31, 2005	October 31, 2005
Cash and advances to banks	617,871	847,406	791,661
Securities	523,368	486,863	468,811
Loans	2,201,913	1,699,722	1,972,392
Goodwill	187,747	187,747	187,747
Fixed assets	31,138	36,242	31,764
Other assets	37,561	24,048	57,767
Total assets	3,599,598	3,282,028	3,510,142
Liabilities			
Total deposits	2,966,589	2,739,150	2,856,737
Other liabilities	60,969	15,760	73,685
Total liabilities	3,027,558	2,754,910	2,930,422
Shareholders' Equity			
Share capital & reserves	420,464	416,464	417,281
Retained earnings	151,576	110,654	162,439
	572,040	527,118	579,720
Total liabilities and shareholders' equity	3,599,598	3,282,028	3,510,142

Director

Director

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

B\$000's	Share Capital and Reserves		Retained Earnings	Total
	Share Capital	Reserves		
Balance at October 31, 2004	414,364	110,728	525,092	
Net income for the period	—	23,665	23,665	
Dividends	—	(21,639)	(21,639)	
Transfer to Statutory Reserve Fund — Turks & Caicos Islands	2,100	(2,100)	—	
Balance at January 31, 2005	416,464	110,654	527,118	
Balance at October 31, 2005	417,281	162,439	579,720	
Net income for the period	—	29,201	29,201	
Dividends	—	(36,064)	(36,064)	
Revaluation gains/(losses)	(817)	—	(817)	
Transfer to Statutory Reserve Fund — Turks & Caicos Islands	4,000	(4,000)	—	
Balance at January 31, 2006	420,464	151,576	572,040	

CONSOLIDATED STATEMENT OF INCOME

B\$'000	Unaudited		Audited
	Three Months Ended	Three Months Ended	Year Ended
	January 31, 2006	January 31, 2005	October 31, 2005
Total interest income	53,364	45,255	188,119
Total interest expenses	(18,017)	(14,620)	(61,650)
Net interest income	35,347	30,635	126,469
Non-interest income	11,152	10,369	39,100
	46,499	41,004	165,569
Non-interest expenses	16,457	15,799	62,158
Provision for credit losses	841	1,540	3,918
	17,298	17,339	66,076
Net income	29,201	23,665	99,493
Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,205
Earnings per share (in cents)	24.3	19.7	82.8

CONSOLIDATED STATEMENT OF CASH FLOWS

B\$'000	Unaudited	Unaudited
	Three Months Ended	Three Months Ended
	January 31, 2006	January 31, 2005
Net cash used in operating activities	(117,510)	(26,730)
Net cash used in financing activities	(36,064)	(21,639)
Net cash provided by (used in) investing activities	(20,216)	29,915
Net decrease in cash and cash equivalents	(173,790)	(18,454)
Cash and cash equivalents, beginning of period	742,111	819,798
Cash and cash equivalents, end of period	568,321	801,344

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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.

ANALYSIS OF ACCRUED INTEREST RECEIVABLE AND PAYABLE

B\$'000	Jan-06				Jan-05			
	Bahamas	TCI	Firstco	Consolidated	Bahamas	TCI	Firstco	Consolidated
Accrued interest receivable								
Loans	10,159	1,277	515	11,951	6,833	1,368	661	8,862
Securities	6,654	—	134	6,788	5,062	—	82	5,144
Deposit Placements	2,545	208	—	2,753	2,539	495	—	3,034
OBS — A/R & Div Receivable	138	40	—	178	116	—	—	116
Total	19,496	1,525	649	21,670	14,550	1,863	743	17,156
Accrued interest payable								
Demand Deposits	258	62	(205)	115	151	11	(103)	59
Notice	454	90	—	544	387	36	—	423
Term	9,192	407	991	10,590	8,048	121	1,714	9,883
	9,904	559	786	11,249	8,586	168	1,611	10,365
OBS — A/P & Dividends	2,510	45	—	2,555	666	—	—	666
Total	12,414	604	786	13,804	9,252	168	1,611	11,031