

FirstCaribbean International Bank (Bahamas) Limited

Consolidated Financial Statements

For the nine months ended July 31, 2006



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

FirstCaribbean International Bank (Bahamas) Limited earned a consolidated net income of \$83.6 million for the nine months ending July 31, 2006. This represented an increase of \$12 million or 17% over last year. Earnings per share was 69.6 cents, 10 cents greater than the amount for the same period of last year.

The Bank's total revenues, i.e. net interest income and non-interest income, for the nine-month period rose to \$135 million, which represented an 11% increase or \$13 million over the same period last year. The higher income was generated largely by the substantial growth (27%) in loans over last year particularly in business loans and residential mortgages.

Operating expenses for the period were \$50.3 million, \$3.8 million higher than the same period last year. However, the ratio of expenses to revenue improved by 0.8% over last year to 37.2% for the nine months of this fiscal year.

At July 31, 2006, the total assets of the Bank were \$3.88 billion, a growth of \$461 million or 13.5% from this date last year and \$372 million or 11% since

last fiscal year end. This growth was driven by the increase in loans, both business loans and residential mortgages, which increased by \$294 million and \$113 million respectively, from this date last year. Total deposit liabilities grew by \$421 million or 15% since this date last year, and by \$402 million or 14% from last fiscal year end to a balance of \$3.24 billion at July 31, 2006.

The return on assets for the nine months was 3.0%, which is an improvement of 0.1% from last year. The return on tangible equity also improved by 0.8%, increasing to 28% for the nine months of this year.

The Directors are satisfied with the performance of the Bank for the first three quarters of this year and we thank our customers and employees for their continued support.

Michael K. Mansoor
Chairman

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED CONSOLIDATED BALANCE SHEET B\$'000

| Assets | Unaudited July 31, 2006 | Unaudited July 31, 2005 | Audited October 31, 2005 |
|---|----------------------------|----------------------------|-----------------------------|
| Cash and advances to banks | 611,429 | 832,014 | 791,661 |
| Securities | 671,748 | 481,904 | 468,811 |
| Loans | 2,340,333 | 1,849,325 | 1,972,392 |
| Goodwill | 187,747 | 187,747 | 187,747 |
| Fixed assets | 28,917 | 32,335 | 31,764 |
| Other assets | 41,828 | 37,499 | 57,767 |
| Total assets | 3,882,002 | 3,420,824 | 3,510,142 |
| Liabilities | | | |
| Deposits | 3,260,068 | 2,837,375 | 2,856,737 |
| Other liabilities | 25,523 | 32,385 | 73,685 |
| Total liabilities | 3,285,591 | 2,869,760 | 2,930,422 |
| Shareholders' Equity | | | |
| Share capital & reserves | 435,525 | 416,464 | 417,281 |
| Retained earnings | 160,886 | 134,600 | 162,439 |
| | 596,411 | 551,064 | 579,720 |
| Total liabilities and shareholders' equity | 3,882,002 | 3,420,824 | 3,510,142 |

Sharon Brown
Director

Terence Hilts
Director

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY B\$'000

| | Share Capital & Reserves | Retained Earnings | Total |
|--|-----------------------------|----------------------|----------------|
| Balance at October 31, 2004 | 414,364 | 110,728 | 525,092 |
| Net income for the period | - | 71,654 | 71,654 |
| Dividends | - | (45,682) | (45,682) |
| Transfer to Statutory Reserve Fund - Turks & Caicos Islands | 2,100 | (2,100) | - |
| Balance at July 31, 2005 | 416,464 | 134,600 | 551,064 |
| Balance at October 31, 2005 | 417,281 | 162,439 | 579,720 |
| Net income for the period | - | 83,627 | 83,627 |
| Dividends | - | (66,119) | (66,119) |
| Revaluation gains/(losses) | (817) | - | (817) |
| Transfer to Statutory Reserve Fund - Turks & Caicos Islands | 4,000 | (4,000) | - |
| Transfer to Statutory Loan Reserve | 15,061 | (15,061) | - |
| Balance at July 31, 2006 | 435,525 | 160,886 | 596,411 |

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED CONSOLIDATED STATEMENT OF INCOME B\$'000

| | Unaudited Quarter Ended | | Unaudited Nine Months Ended | | Audited Year Ended |
|-----------------------------|----------------------------|---------------|--------------------------------|----------------|-----------------------|
| | July 31, 2006 | July 31, 2005 | July 31, 2006 | July 31, 2005 | October 31, 2005 |
| Total interest income | 61,646 | 46,825 | 170,429 | 137,444 | 188,119 |
| Total interest expenses | (24,403) | (16,048) | (62,380) | (45,668) | (61,650) |
| Net interest income | 37,243 | 30,777 | 108,049 | 91,776 | 126,469 |
| Non-interest income | 8,424 | 10,405 | 27,352 | 30,639 | 39,100 |
| | 45,667 | 41,182 | 135,401 | 122,415 | 165,569 |
| Non-interest expenses | 18,459 | 16,398 | 50,359 | 46,562 | 62,158 |
| Provision for credit losses | (1,121) | 1,519 | 1,415 | 4,199 | 3,918 |
| | 17,338 | 17,917 | 51,774 | 50,761 | 66,076 |
| Net income | 28,329 | 23,265 | 83,627 | 71,654 | 99,493 |

Weighted average number of common shares outstanding for the period
Earnings per share (in cents)

120,216,204
69.9

120,216,204
59.6

120,216,204
82.8

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS B\$'000

| | Unaudited Nine Months Ended July 31, 2006 | Unaudited Nine Months Ended July 31, 2005 |
|---|---|---|
| Net cash provided by operating activities | 33,352 | 13,375 |
| Net cash used in financing activities | (66,119) | (45,682) |
| Net cash used in investing activities | (147,465) | (1,539) |
| Net decrease in cash and cash equivalents | (180,232) | (33,846) |
| Cash and cash equivalents, beginning of period | 742,111 | 819,798 |
| Cash and cash equivalents, end of period | 561,879 | 785,952 |

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS Nine Months Ended July 31, 2006

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 period.