



**FirstCaribbean International Bank (Bahamas) Limited**  
**Chairman's Review**  
**Of the Results**  
**For the year ended October 31, 2010**

Net income for the year ended October 31, 2010 amounted to \$61.9 million, a decrease of \$16.8 million or 21% year on year. The continuing adverse economic conditions have impacted the Bank's results.

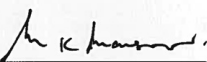
Total revenues were down by \$0.9 million or 1%, compared to the prior year, driven by the decline in net interest income stemming from lower average loan and securities volumes and yields; partially offset by lower cost of funds and lower mark to market losses.

Operating expenses increased by \$6.0 million or 8% mainly due to the reimbursement of the Bank's share of head office support costs and occupancy charges. Loan loss impairment expenses increased by \$11.7 million due to the prevailing adverse economic situation.

The Bank remains in a solid financial position with both the Tier I and Total Capital ratios being 21%, despite the decline in net income.

At its meeting on December 14, 2010, the Board of Directors declared a final dividend of fifteen cents per share payable on January 28, 2011 to shareholders of record at the close of business on January 18, 2011. Previously, an interim dividend of fifteen cents (\$0.15) per share was paid, bringing the total dividend to thirty cents (\$0.30) per share for 2010.

We thank the Board, management, staff and our customers for their continuing support.

  
Michael K. Mansoor  
Chairman

**FirstCaribbean International Bank (Bahamas) Limited**  
**Condensed Consolidated Statement of Financial Position**  
BS'000

	Unaudited October 31, 2010	Audited October 31, 2009
<b>Assets</b>		
Cash and due from banks	238,119	411,371
Securities	687,462	580,259
Loans and advances to customers	2,418,836	2,541,756
Goodwill	187,747	187,747
Property and equipment	25,346	26,009
Other assets	41,486	15,530
<b>Total assets</b>	<b>3,598,996</b>	<b>3,762,672</b>
<b>Liabilities</b>		
Total deposits	2,767,359	2,985,964
Other borrowed funds	75,976	54,160
Other liabilities	24,807	15,367
<b>Total liabilities</b>	<b>2,868,142</b>	<b>3,055,491</b>
<b>Equity</b>		
Share capital and reserves	442,483	442,059
Retained earnings	288,371	265,122
	<b>730,854</b>	<b>707,181</b>
<b>Total liabilities and equity</b>	<b>3,598,996</b>	<b>3,762,672</b>

  
Marie Odland-Helen  
Director

  
Sebastian  
Director

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

	Share Capital & Reserves	Retained Earnings	Total
<b>Balance at October 31, 2008</b>	413,847	231,965	645,812
Total comprehensive income for the period	24,808	78,637	103,445
Dividends	-	(42,076)	(42,076)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	5,028	(5,028)	-
Transfer to Statutory Loan Reserve	(1,624)	1,624	-
<b>Balance at October 31, 2009</b>	<b>442,059</b>	<b>265,122</b>	<b>707,181</b>
<b>Balance at October 31, 2009</b>	<b>442,059</b>	<b>265,122</b>	<b>707,181</b>
Total comprehensive income for the period	(924)	61,863	60,939
Dividends	-	(37,266)	(37,266)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	4,703	(4,703)	-
Transfer to Statutory Loan Reserve	(3,355)	3,355	-
<b>Balance at October 31, 2010</b>	<b>442,483</b>	<b>288,371</b>	<b>730,854</b>

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

	Unaudited Quarter Ended		Unaudited Year Ended	Audited Year Ended
	October 31, 2010	October 31, 2009	October 31, 2010	October 31, 2009
Total interest income	48,979	52,113	192,990	217,018
Total interest expense	(15,699)	(15,189)	(63,955)	(74,125)
Net interest income	33,280	36,924	129,035	142,893
Operating income	7,199	9,859	40,126	25,342
	<b>40,479</b>	<b>46,783</b>	<b>169,161</b>	<b>168,235</b>
Operating expenses	23,154	19,085	77,094	71,079
Loan loss expense	5,970	(1,734)	30,204	18,519
	<b>29,124</b>	<b>17,351</b>	<b>107,298</b>	<b>89,598</b>
<b>Net income for the period</b>	<b>11,355</b>	<b>29,432</b>	<b>61,863</b>	<b>78,637</b>

Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204	120,216,204
Earnings per share (in cents)	9.4	24.5	51.5	65.4

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

	Unaudited Quarter ended		Unaudited Year Ended	Audited Year Ended
	October 31, 2010	October 31, 2009	October 31, 2010	October 31, 2009
Net income for the period	11,355	29,432	61,863	78,637
<b>Other comprehensive income</b>				
Net gains / (losses) on available-for-sale investment securities	4,227	(5,629)	(924)	24,808
<b>Total comprehensive (loss) / income for the period</b>	<b>15,582</b>	<b>23,803</b>	<b>60,939</b>	<b>103,445</b>

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

	Unaudited Year Ended	Audited Year Ended
	October 31, 2010	October 31, 2009
Net cash used in operating activities	(29,106)	(105,763)
Net cash (used in) / from investing activities	(80,199)	264,502
Net cash used in financing activities	(37,266)	(42,076)
Net (decrease) increase in cash and cash equivalents	(146,571)	116,663
Cash and cash equivalents, beginning of period	215,426	98,763
<b>Cash and cash equivalents, end of period</b>	<b>68,855</b>	<b>215,426</b>

**FirstCaribbean International Bank (Bahamas) Limited**  
**Notes to Consolidated Financial Statements**  
October 31, 2010

**Summary of significant accounting policies**  
**Basis of presentation**

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank (Bahamas) Limited should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2010, included in the Bank's Annual Report 2010. For a description of the Bank's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, have been condensed or omitted. Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the condensed consolidated financial statements for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of results for the entire year. In preparing these condensed consolidated financial statements, management is required to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

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

**Transactions affecting year-over-year comparisons**

**Dividends**

At the Board of Directors meeting held on December 14, 2010, a final dividend of fifteen cents (\$0.15) per share was declared, amounting to \$18.0 million in respect of the 2010 net income. The consolidated financial statements for the year ended October 31, 2010 do not reflect this resolution, which will be accounted for in equity as a distribution of retained earnings in the year ending October 31, 2011.