



FirstCaribbean International Bank (Bahamas) Limited
Chairman's Review
Of the Results
For the nine months ended July 31, 2011

Consolidated net income for the nine months ended July 31, 2011 was \$39.4 million, compared to \$50.5 million in 2010.

Total revenues were \$1.7 million up year on year with an increase in net interest income being partially offset by a decline in operating income. Net interest income was up \$6.5 million due to lower deposit and hedging instrument volumes, combined with lower interest rates on deposits. Conversely, operating income was down by \$4.9 million due to lower gains on the sale of investment securities and lower credit related fee income.

Operating expenses were \$8.6 million higher against the prior year, driven by general operating costs, including business license fees, while loan loss expenses increased by \$4.2 million over the previous year.

Management remains focused on cost and loan delinquency containment during this protracted economic downturn which continues to limit revenue generation opportunities.

Capital ratios remain well in excess of regulatory requirements, placing the Bank in a solid position to take advantage of opportunities that may arise in the future.

I 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 July 31, 2011	Unaudited July 31, 2010	Audited October 31, 2010
Assets			
Cash and due from banks	411,215	223,452	238,119
Securities	628,596	726,859	687,462
Loans and advances to customers	2,337,629	2,390,778	2,418,836
Goodwill	187,747	187,747	187,747
Property and equipment	26,634	25,574	25,346
Other assets	37,376	92,984	41,486
Total assets	3,629,197	3,647,394	3,598,996
Liabilities			
Total deposits	2,797,615	2,843,881	2,767,359
Other borrowed funds	54,425	69,141	75,976
Other liabilities	31,159	19,100	24,807
Total liabilities	2,883,199	2,932,122	2,868,142
Equity			
Share capital and reserves	455,057	440,148	442,483
Retained earnings	290,941	275,124	288,371
	745,998	715,272	730,854
Total liabilities and equity	3,629,197	3,647,394	3,598,996

Director

Director

Condensed Consolidated Statement of Changes in Equity
BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2009	442,059	265,122	707,181
Total comprehensive (loss)/income for the period	(5,151)	50,508	45,357
Dividends	-	(37,266)	(37,266)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	4,702	(4,702)	-
Transfer from Statutory Loan Reserve	(1,462)	1,462	-
Balance at July 31, 2010	440,148	275,124	715,272
Balance at October 31, 2010	442,483	288,371	730,854
Total comprehensive income for the period	9,356	39,448	48,804
Dividends	-	(33,660)	(33,660)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	3,130	(3,130)	-
Transfer to Statutory Loan Reserve	88	(88)	-
Balance at July 31, 2011	455,057	290,941	745,998

Condensed Consolidated Statement of Income
BS'000

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	July 31, 2011	July 31, 2010	July 31, 2011	July 31, 2010	October 31, 2010
Total interest income	44,084	47,968	139,040	144,011	192,990
Total interest expense	(10,412)	(16,198)	(36,748)	(48,256)	(63,955)
Net interest income	33,672	31,770	102,292	95,755	129,035
Operating income	10,670	12,095	28,068	32,927	40,126
	44,342	43,865	130,360	128,682	169,161
Operating expenses	21,864	18,569	62,525	53,940	77,094
Loan loss expense	9,610	12,509	28,387	24,234	30,204
	31,474	31,078	90,912	78,174	107,298
Net income for the period	12,868	12,787	39,448	50,508	61,863

Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204	120,216,204	120,216,204
Earnings per share (in cents)	10.7	10.6	32.8	42.0	51.5

Condensed Consolidated Statement of Comprehensive Income
BS'000

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	July 31, 2011	July 31, 2010	July 31, 2011	July 31, 2010	October 31, 2010
Net income for the period	12,868	12,787	39,448	50,508	61,863
Other comprehensive income					
Net gains/(losses) on available-for-sale investment securities	1,425	(13,417)	9,356	(5,151)	(924)
Total comprehensive income/(loss) for the period	14,293	(630)	48,804	45,357	60,939

Condensed Consolidated Statement of Cash Flows
BS'000

	Unaudited Nine Months Ended July 31, 2011	Unaudited Nine Months Ended July 31, 2010	Audited Year Ended October 31, 2010
Net cash from/(used in) operating activities	162,994	52,651	(29,106)
Net cash from/(used in) investing activities	87,125	(119,511)	(80,199)
Net cash used in financing activities	(7,799)	(46,791)	(37,266)
Net increase/(decrease) in cash and cash equivalents	242,320	(113,651)	(146,571)
Cash and cash equivalents, beginning of period	68,855	215,426	215,426
Cash and cash equivalents, end of period	311,175	101,775	68,855

Notes to the Condensed Consolidated Financial Statements
July 31, 2011

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 Insurance Agency (Bahamas) Limited (formerly FirstCaribbean International Finance Corporation (Bahamas) Limited)
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCI) Limited

Transactions affecting year on year comparisons

Dividends

During the first quarter, the final dividends for the fiscal year ended October 31, 2010, in the amount of fifteen cents per share were paid, as approved by the Board of Directors on December 14, 2010. An interim dividend of thirteen cents per share was approved by the Board of Directors and paid during the third quarter.