



**FirstCaribbean International Bank (Bahamas) Limited**  
**Chairman's Review**  
**Of the Results**  
**For the six months ended April 30, 2011**

The Bank's results continue to be reflective of the effects of the global recession with persistent soft loan demand and low interest rates, and rising operating costs. Consolidated net income for the six months ended April 30, 2011 was \$26.6 million, compared to \$37.7 million in 2010.

Total revenues were \$1.2 million up year on year with an increase in net interest income being offset by a decline in operating income. Net interest income was up \$4.6 million due to decline in deposit volumes combined with lower costs of deposits, while operating income was down by \$3.4 million due to lower gains on the sale of investment securities and lower credit related fee income.

Operating expenses were \$5.3 million higher mainly due to overall increases in general operating costs and loan loss expenses, which increased by \$7.1 million over the previous year.

Capital ratios remain well in excess of regulatory requirements, positioning the Bank well to deploy capital for growth initiatives and to take advantage of opportunities that may arise in the future.

The Directors have declared an interim dividend of 13 cents per share payable on June 29, 2011 to shareholders of record at the close of business on June 24, 2011.

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**  
**B\$'000**

	Unaudited April 30, 2011	Unaudited April 30, 2010	Audited October 31, 2010
<b>Assets</b>			
Cash and due from banks	268,652	303,284	238,119
Securities	712,000	771,876	687,462
Loans and advances to customers	2,324,127	2,434,931	2,418,836
Goodwill	187,747	187,747	187,747
Property and equipment	26,587	25,445	25,346
Other assets	44,091	115,537	41,486
<b>Total assets</b>	<b>3,563,204</b>	<b>3,838,820</b>	<b>3,598,996</b>
<b>Liabilities</b>			
Total deposits	2,735,079	3,018,632	2,767,359
Other borrowed funds	53,490	70,189	75,976
Other liabilities	27,301	16,066	24,807
<b>Total liabilities</b>	<b>2,815,870</b>	<b>3,104,887</b>	<b>2,868,142</b>
<b>Equity</b>			
Share capital and reserves	453,970	453,662	442,483
Retained earnings	293,364	280,271	288,371
	<b>747,334</b>	<b>733,933</b>	<b>730,854</b>
<b>Total liabilities and equity</b>	<b>3,563,204</b>	<b>3,838,820</b>	<b>3,598,996</b>

Director

Director

**Condensed Consolidated Statement of Changes in Equity**  
**B\$'000**

	Share Capital & Reserves	Retained Earnings	Total
<b>Balance at October 31, 2009</b>	442,059	265,122	707,181
Total comprehensive income for the period	8,266	37,721	45,987
Dividends	-	(19,235)	(19,235)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	4,702	(4,702)	-
Transfer to Statutory Loan Reserve	(1,365)	1,365	-
<b>Balance at April 30, 2010</b>	<b>453,662</b>	<b>280,271</b>	<b>733,933</b>
<b>Balance at October 31, 2010</b>	<b>442,483</b>	<b>288,371</b>	<b>730,854</b>
Total comprehensive income for the period	7,931	26,580	34,511
Dividends	-	(18,031)	(18,031)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	3,130	(3,130)	-
Transfer to Statutory Loan Reserve	426	(426)	-
<b>Balance at April 30, 2011</b>	<b>453,970</b>	<b>293,364</b>	<b>747,334</b>

**Condensed Consolidated Statement of Income**  
**B\$'000**

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010	October 31, 2010
Total interest income	47,013	47,618	94,956	96,043	192,990
Total interest expense	(11,943)	(15,508)	(26,336)	(32,058)	(63,955)
Net interest income	35,070	32,110	68,620	63,985	129,035
Operating income	10,019	11,599	17,398	20,832	40,126
	45,089	43,709	86,018	84,817	169,161
Operating expenses	21,273	17,244	40,661	35,371	77,094
Loan loss expense	11,533	7,491	18,777	11,725	30,204
	32,806	24,735	59,438	47,096	107,298
Net income for the period	12,283	18,974	26,580	37,721	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)	10.2	15.8	22.1	31.4	51.5

**Condensed Consolidated Statement of Comprehensive Income**  
**B\$'000**

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010	October 31, 2010
Net income for the period	12,283	18,974	26,580	37,721	61,863
Other comprehensive income					
Net gains (loss) on available-for-sale investment securities	441	2,212	7,931	8,266	(924)
Total comprehensive income for the period	12,724	21,186	34,511	45,987	60,939

**Condensed Consolidated Statement of Cash Flows**  
**B\$'000**

	Unaudited Six Months Ended April 30, 2011	Unaudited Six Months Ended April 30, 2010	Audited Year Ended October 31, 2010
<b>Cash flows from operating activities</b>			
Net cash from/(used in) operating activities	81,057	98,423	(29,106)
Net cash used in investing activities	(2,617)	(162,601)	(80,199)
Net cash from/(used in) financing activities	6,393	(19,235)	(37,266)
Net increase/(decrease) in cash and cash equivalents	84,833	(83,413)	(146,571)
Cash and cash equivalents, beginning of period	68,855	215,426	215,426
Cash and cash equivalents, end of period	153,688	132,013	68,855

**Notes to the Condensed Consolidated Financial Statements**  
**April 30, 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 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 period, 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.