

FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review
Of the Results
For the three months ended January 31, 2015

For the three months ended January 31, 2015, the Bank recorded net income of \$13.5 million. This represents a solid improvement in our performance when compared with net income of \$8.1 million for the same period last year. These results were primarily driven by lower loan loss impairment and operating expenses, which more than offset lower revenues.

Total revenue was down \$5.3 million year over year primarily due to lower loan earnings and lower gains from investment security sales. Loan loss impairment expenses were also down significantly by \$9.7 million compared with the prior year and this represents the third consecutive quarter of reduced loan loss levels year over year. Operating expenses were down by \$1.1 million compared with the same period last year as we continue to benefit from expense control initiatives and savings from our ongoing restructuring program.

Consistent with the industry, revenue continues to be affected by the challenging economic environment across the region. To ensure that we deliver consistent, sustainable results, the Bank's focus remains on deepening our relationships with our clients.

Tier I and Total Capital ratios remained strong at 28.8% and 29.1%, respectively, which are well in excess of the minimum regulatory requirements.

I wish to thank the Board, management, staff and most importantly our clients for their loyalty and continuing support.




Marie Rodland-Allen
 Managing Director

FirstCaribbean International Bank (Bahamas) Limited
Condensed Consolidated Statement of Financial Position
 B\$'000

	Unaudited January 31, 2015	Unaudited January 31, 2014	Audited October 31, 2014
Assets			
Cash, balances with The Central Bank and due from banks	487,048	496,631	553,110
Other assets	31,130	10,983	34,191
Investment securities	779,644	550,831	738,987
Loans and advances to customers	1,888,512	2,082,083	1,982,885
Property and equipment	25,921	24,134	25,648
Goodwill	72,747	187,747	72,747
Total assets	3,285,002	3,352,409	3,407,568
Liabilities			
Customer deposits	2,660,884	2,565,410	2,766,647
Other liabilities	74,353	69,560	86,656
Total liabilities	2,735,237	2,634,970	2,853,303
Equity			
Issued capital	477,230	477,230	477,230
Reserves	(39,611)	(39,541)	(37,249)
Retained earnings	112,146	279,750	114,284
Total equity	549,765	717,439	554,265
Total liabilities and equity	3,285,002	3,352,409	3,407,568



Director



Director

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

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2013 (Restated)*	477,230	(34,152)	285,612	728,690
Total comprehensive income for the period	-	(3,728)	8,105	4,377
Dividends	-	-	(15,628)	(15,628)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	1,133	(1,133)	-
Transfer from Statutory Loan Reserve	-	(2,794)	2,794	-
Balance at January 31, 2014	477,230	(39,541)	279,750	717,439
Balance at October 31, 2014	477,230	(37,249)	114,284	554,265
Total comprehensive income for the period	-	(2,362)	13,490	11,128
Dividends	-	-	(15,628)	(15,628)
Balance at January 31, 2015	477,230	(39,611)	112,146	549,765

Condensed Consolidated Statement of Income/(Loss)
 B\$'000

	Unaudited Three Months Ended January 31, 2015	Unaudited January 31, 2014	Audited Year Ended October 31, 2014
Total interest income	36,162	39,611	154,042
Total interest expense	4,037	4,262	16,302
Net interest income	32,125	35,349	137,740
Other operating income	9,685	11,804	38,769
Total revenue	41,810	47,153	176,509
Operating expenses	22,477	23,548	95,501
Loan loss impairment	5,843	15,500	113,831
Impairment of goodwill	-	-	115,000
	28,320	39,048	324,332
Net income/(loss) for the period	13,490	8,105	(147,823)

	120,216,204	120,216,204	120,216,204
Weighted average number of common shares outstanding for the period			
Net earnings/(loss) per share (in cents)	11.2	6.7	(123.0)

Condensed Consolidated Statement of Comprehensive Income/(Loss)
 B\$'000

	Unaudited Three Months Ended January 31, 2015	Unaudited January 31, 2014	Audited Year Ended October 31, 2014
Net income/(loss) for the period	13,490	8,105	(147,823)
Other comprehensive income			
Net (loss)/gain on available-for-sale investment securities	(2,362)	(3,789)	291
Re-measurement gain of Retirement benefit obligations	-	61	4,361
Total comprehensive income/(loss) for the period	11,128	4,377	(143,171)

Condensed Consolidated Statement of Cash Flows
 B\$'000

	Unaudited Three months ended January 31, 2015	Unaudited January 31, 2014	Audited Year Ended October 31, 2014
Net cash (used in)/from operating activities	(52,935)	108,543	309,135
Net cash (used in)/from investing activities	(37,215)	142,356	(27,268)
Net cash used in financing activities	(15,628)	(15,628)	(31,256)
Net (decrease)/increase in cash and cash equivalents	(105,778)	235,271	250,611
Cash and cash equivalents, beginning of the period	455,703	205,092	205,092
Cash and cash equivalents, end of the period	349,925	440,363	455,703

Notes to the Condensed Consolidated Financial Statements
 January 31, 2015

1. Summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank (Bahamas) Limited (the Bank) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2014, included in the Bank's Annual Report 2014. For a description of the Bank's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

Basis of presentation

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, has been condensed or omitted. Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the unaudited 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 unaudited condensed consolidated financial statements, management is required to make estimates and assumptions which 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
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCI) Limited

Dividends

During the quarter, the final dividends for the fiscal year ended October 31, 2014, as approved by the Board of Directors at a meeting held on December 18, 2014, in the amount of \$15.6 million (\$0.13 per share), were paid.

Condensed Consolidated Segment Information
 B\$'000

	Unaudited Three Months Ended January 31, 2015					Unaudited Three Months Ended January 31, 2014				
	RB	WB	WM	Admin	Total	RB	WB	WM	Admin	Total
External revenues	22,463	12,672	1,716	4,959	41,810	23,636	13,477	1,529	8,511	47,153
Revenues from other segments	(3,473)	5,162	3,421	(5,110)	-	(3,561)	5,361	5,312	(7,112)	-
Total revenues	18,990	17,834	5,137	(151)	41,810	20,075	18,838	6,841	1,399	47,153
Segment Results	283	7,919	2,709	2,579	13,490	3,362	(4,064)	3,898	4,909	8,105
Net income for the period	-	-	-	-	13,490	-	-	-	-	8,105
Segment assets	1,005,917	820,363	95,277	1,292,698	3,212,255	1,105,753	903,766	102,859	1,052,284	3,164,662
Unallocated assets	-	-	-	-	72,747	-	-	-	-	187,747
Total assets	1,005,917	820,363	95,277	1,292,698	3,285,002	1,105,753	903,766	102,859	1,052,284	3,352,409
Segment liabilities	758,286	866,765	927,405	182,781	2,735,237	764,206	794,858	1,001,114	74,792	2,634,970
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	758,286	866,765	927,405	182,781	2,735,237	764,206	794,858	1,001,114	74,792	2,634,970
	92,208	53,793	6,922	25,586	176,509	(16,089)	19,284	18,961	(22,156)	-
External revenues	92,208	53,793	6,922	25,586	176,509	(16,089)	19,284	18,961	(22,156)	-
Revenues from other segments	-	-	-	-	-	-	-	-	-	-
Total revenues	92,208	53,793	6,922	25,586	176,509	(16,089)	19,284	18,961	(22,156)	-
Segment Results	(61,411)	3,332	10,582	14,674	(32,823)	(115,000)	-	-	-	(115,000)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	(147,823)	-	-	-	-	-
Segment assets	1,018,256	909,663	89,009	1,317,893	3,334,821	-	-	-	-	72,747
Unallocated assets	-	-	-	-	72,747	-	-	-	-	-
Total assets	1,018,256	909,663	89,009	1,317,893	3,407,568	-	-	-	-	72,747
Segment liabilities	746,540	834,510	1,000,289	271,964	2,853,303	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	746,540	834,510	1,000,289	271,964	2,853,303	-	-	-	-	-

Notes:
 In August 2013, the Bank renamed Corporate Lending and Investment Banking ("CLIB") to Wholesale Banking ("WB"). The Bank's operations are now organized into three business segments, Retail Banking ("RB"), Wholesale Banking ("WB") and Wealth Management ("WM"), which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, Human Resources, Technology, Operations, Risk and Governance & Control). The Admin segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, WB and WM. Please refer to Note 26 of the Bank's Annual Report 2014 for further details.