



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review
Of the Results
For the six months ended April 30, 2015

The Bank continued to deliver solid results against its strategic objectives of accelerating profitable revenue growth and improving operational efficiency by recording net income of \$19.2 million in the second quarter, up \$11.3 million or 143% over the prior year quarter's adjusted¹ net income.

For the six month period ended April 30, 2015, net income was \$32.7 million, up \$16.7 million or 104% over prior year's adjusted¹ net income of \$16.0 million for the same period. Total revenue over the six month period was down \$3.8 million year over year (but higher in the second quarter compared with the prior year's quarter) primarily due to lower loan and security earnings, as the Bank continues to experience low credit demand. Operating expenses were down by \$2.6 million compared with the same period last year as we continue to benefit from expense control initiatives and savings from our ongoing restructuring program.

Loan loss impairment expense was down significantly by \$17.9 million compared with the prior year's adjusted expense due to an improvement in the loss experience. This also represents the fourth consecutive quarter of reduced loan loss levels year over year. Loan quality is strong and continues to improve with non-productive loan balances down 7% quarter over quarter. Productive loans are up slightly over the first quarter.

The Bank's Tier 1 and Total Capital ratios remain strong at 30.1% and 30.4%, well in excess of applicable regulatory requirements. At its meeting on June 16, 2015, the Board of Directors approved an interim dividend of thirteen cents (\$0.013) per share to be paid on July 20, 2015 to the shareholders of record at the close of business on July 14, 2015. This, along with our continued investment in our franchise, reflects our commitment to the region and promising outlook.

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

Marie Rodland-Allen
Managing Director

¹Prior period net income has been adjusted for two (2) items of note: \$75.0 million of incremental loan losses and a non-cash goodwill impairment charge of \$115.0 million.

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

	Unaudited April 30, 2015	Unaudited April 30, 2014	Audited October 31, 2014
Assets			
Cash, balances with Central Banks and due from banks	556,725	426,511	553,110
Other assets	15,239	11,482	34,191
Investment securities	771,407	850,484	738,987
Loans and advances to customers	1,879,259	1,992,579	1,982,885
Property and equipment	26,036	24,319	25,648
Goodwill	72,747	72,747	72,747
Total assets	3,321,413	3,378,122	3,407,568
Liabilities			
Customer deposits	2,683,182	2,764,113	2,766,647
Other liabilities	66,544	75,766	86,656
Total liabilities	2,749,726	2,839,879	2,853,303
Equity			
Issued capital	477,230	477,230	477,230
Reserves	(34,675)	(42,901)	(37,249)
Retained earnings	129,132	103,914	114,284
Total equity	571,687	538,243	554,265
Total liabilities and equity	3,321,413	3,378,122	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 loss for the period	-	(805)	(174,014)	(174,819)
Dividends	-	-	(15,628)	(15,628)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	1,133	(1,133)	-
Transfer from Statutory Loan Reserve	-	(9,077)	9,077	-
Balance at April 30, 2014	477,230	(42,901)	103,914	538,243
Balance at October 31, 2014	477,230	(37,249)	114,284	554,265
Total comprehensive income for the period	-	374	32,676	33,050
Dividends	-	-	(15,628)	(15,628)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	2,200	(2,200)	-
Balance at April 30, 2015	477,230	(34,675)	129,132	571,687

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

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014	Oct 31, 2014
Total interest income	38,150	37,976	74,312	77,587	154,042
Total interest expense	3,544	3,941	7,581	8,203	16,302
Net interest income	34,606	34,035	66,731	69,384	137,740
Other operating income	8,780	7,821	18,465	19,625	38,769
Total revenue	43,386	41,856	85,196	89,009	176,509
Operating expenses	21,905	23,472	44,382	47,020	95,501
Loan loss impairment	2,295	85,503	8,138	101,003	113,831
Impairment of goodwill	-	115,000	-	115,000	115,000
	24,200	223,975	52,520	263,023	324,332
Net income/(loss) for the period	19,186	(182,119)	32,676	(174,014)	(147,823)
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
Net earnings/(loss) per share (in cents)	16.0	(151.5)	27.2	(144.8)	(123.0)

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

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014	Oct 31, 2014
Net income/(loss) for the period	19,186	(182,119)	32,676	(174,014)	(147,823)
Other comprehensive income					
Net gain/(loss) on available-for-sale investment securities	2,736	2,865	374	(925)	291
Re-measurement gain of retirement benefit obligations	-	60	-	120	4,361
Total comprehensive income/(loss) for the period	21,922	(179,194)	33,050	(174,819)	(143,171)

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Six Months Ended April 30, 2015	Unaudited Six Months Ended April 30, 2014	Audited Year Ended October 31, 2014
Net cash from operating activities	94,547	108,543	309,135
Net cash (used in)/from investing activities	(45,766)	142,356	(27,268)
Net cash used in financing activities	(15,628)	(15,628)	(31,256)
Net increase in cash and cash equivalents	33,153	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	488,856	440,363	455,703

Notes to the Condensed Consolidated Financial Statements
April 30, 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:

- Sentry Insurance Brokers Ltd. (formerly FirstCaribbean Insurance Agency (Bahamas) Limited)
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCI) Limited

Dividends

The Directors have declared an interim dividend of thirteen cents (\$0.013) per share payable on July 20, 2015 to shareholders of record as at the close of business on July 14, 2015.

Condensed Consolidated Segment Information
B\$'000

	Unaudited Six Months Ended April 30, 2015					Unaudited Six Months Ended April 30, 2014				
	RB	WB	WM	Admin	Total	RB	WB	WM	Admin	Total
Revenues from other segments	44,884	27,133	3,555	9,624	85,196	46,224	26,518	3,116	13,151	89,009
Segment assets	(8,207)	7,453	6,083	(5,329)	-	(7,335)	10,039	9,821	(12,525)	-
Total revenues	36,677	34,586	9,638	4,295	85,196	38,889	36,557	12,937	626	89,009
Segment Results	1,873	16,792	4,432	9,579	32,676	(54,947)	(15,473)	3,146	8,260	(59,014)
										(115,000)
Net income/(loss) for the period					32,676					(174,014)
Segment assets	1,001,977	820,224	85,967	1,340,498	3,248,666	1,036,527	886,597	96,522	1,285,729	3,305,375
Unallocated assets					72,747					72,747
Total assets					3,321,413					3,378,122
Segment liabilities	815,011	900,511	886,901	147,303	2,749,726	765,374	826,701	952,530	295,274	2,839,879
Unallocated liabilities					-					-
Total liabilities					2,749,726					2,839,879

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

	Audited Year Ended October 31, 2014				
	RB	WB	WM	Admin	Total
External revenues	92,208	53,793	6,922	23,586	176,509
Revenues from other segments	(16,089)	19,284	18,961	(22,156)	-
Total revenues	76,119	73,077	25,883	1,430	176,509
Segment Results	(61,411)	3,332	10,582	14,674	(32,823)
Impairment of goodwill				(115,000)	(115,000)
Net loss for the year					(147,823)
Segment assets	1,018,256	909,663	89,009	1,317,893	3,334,821
Unallocated assets					72,747
Total assets					3,407,568
Segment liabilities	746,540	834,510	1,000,289	271,964	2,853,303
Unallocated liabilities					-
Total liabilities					2,853,303

Notes:

The Bank's operations are now organised 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.