



FirstCaribbean
International Bank

FirstCaribbean International Bank (Bahamas) Limited
Chairman's Review
Of the Results
For the quarter ended January 31, 2012

Consolidated net income for the first quarter totaled \$18.4 million, an increase of \$4.1 million when compared to same period in the prior year.

Total revenues increased year on year by \$5.3 million. Net interest income was higher by \$4.2 million, primarily due to declines in funding costs and the unwinding of certain derivative contracts last year. Additionally, non interest income was \$1.1 million higher than prior year, primarily due to an increase in securities gains and losses.

Operating expenses remained relatively flat year on year, at \$19.4 million. Loan loss impairment expense increased by \$1.1 million, in part due to increases in non-performing loans, but also to declines in collateral (real estate) values.

The Bank's Tier 1 and Total Capital ratios remain strong at 24% and 25% respectively, which enable the Bank to pursue opportunities as they may arise.

I wish to thank all our customers, staff, Directors, and the shareholders for their loyalty and contributions to our business.

Michael K. Mansoor
Chairman

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

	Unaudited January 31, 2012	Unaudited January 31, 2011	Audited October 31, 2011
Assets			
Cash, balances with The Central Bank and due from banks	237,088	248,672	290,628
Financial assets at fair value through profit or loss	24,512	20,059	27,319
Other assets	42,372	54,063	44,351
Investment securities	663,695	681,372	646,988
Loans and advances to customers	2,345,586	2,372,653	2,313,360
Property and equipment	26,712	25,455	26,703
Goodwill	187,747	187,747	187,747
Total assets	3,527,712	3,590,021	3,537,096
Liabilities			
Customer deposits	2,704,378	2,776,747	2,712,978
Financial liabilities at fair value through profit or loss	24,512	20,059	27,319
Other liabilities	37,118	58,605	38,574
Total liabilities	2,766,008	2,855,411	2,778,871
Equity			
Share capital and reserves	450,217	452,930	449,410
Retained earnings	311,487	281,680	308,815
	761,704	734,610	758,225
Total liabilities and equity	3,527,712	3,590,021	3,537,096

Director

Director

Condensed Consolidated Statement of Changes in Equity
BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2010	442,483	288,371	730,854
Total comprehensive income for the period	7,490	14,297	21,787
Dividends	-	(18,031)	(18,031)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	3,130	(3,130)	-
Transfer from Statutory Loan Reserve	(173)	173	-
Balance at January 31, 2011	452,930	281,680	734,610
Balance at October 31, 2011	449,410	308,815	758,225
Total comprehensive income for the period	687	18,420	19,107
Dividends	-	(15,628)	(15,628)
Transfer to Statutory Loan Reserve	120	(120)	-
Balance at January 31, 2012	450,217	311,487	761,704

Condensed Consolidated Statement of Income
BS'000

	Unaudited Three Months Ended January 31, 2012	Unaudited Three Months Ended January 31, 2011	Audited Year Ended October 31, 2011
Total interest income	45,587	47,943	183,493
Total interest expense	(7,852)	(14,393)	(45,663)
Net interest income	37,735	33,550	137,830
Operating income	8,472	7,379	35,488
	46,207	40,929	173,318
Operating expenses	19,447	19,388	83,208
Loan loss impairment	8,340	7,244	32,223
	27,787	26,632	115,431
Net income for the period	18,420	14,297	57,887

Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204
Earnings per share (in cents)	15.3	11.9	48.2

Condensed Consolidated Statement of Comprehensive Income
BS'000

	Unaudited Three Months Ended January 31, 2012	Unaudited Three Months Ended January 31, 2011	Audited Year Ended October 31, 2011
Net income for the period	18,420	14,297	57,887
Other comprehensive income			
Net gains on available-for-sale investment securities	687	7,490	3,145
Total comprehensive income for the period	19,107	21,787	61,032

Condensed Consolidated Statement of Cash Flows
BS'000

	Unaudited Three Months Ended January 31, 2012	Unaudited Three Months Ended January 31, 2011	Audited Year Ended October 31, 2011
Net cash from operating activities	18,634	78,360	61,838
Net cash (used in)/from investing activities	(11,273)	1,150	64,132
Net cash used in financing activities	(15,628)	(24,601)	(33,661)
Net (decrease)/increase in cash and cash equivalents	(8,267)	54,909	92,309
Cash and cash equivalents, beginning of period	161,164	68,855	68,855
Cash and cash equivalents, end of period	152,897	123,764	161,164

Notes to the Condensed Consolidated Financial Statements
January 31, 2012

Summary of significant accounting policies
Basis of presentation

The accompanying 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, 2011, included in the Bank's Annual Report 2011. 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 (TCL) Limited

Transactions affecting year on year comparisons

Dividends

During the quarter, the final dividends for the fiscal year ended October 31, 2011, in the amount of \$0.13 per share were paid, as approved by the Board of Directors on December 13, 2011.

Condensed Consolidated Segment Information
BS'000

	Unaudited Three months ended January 31, 2012					Unaudited Three months ended January 31, 2011				
	RB	CLIB	WM	Admin	Total	RB	CLIB	WM	Admin	Total
External revenues	21,981	15,661	1,771	6,794	46,207	22,285	12,511	1,311	4,822	40,929
Revenues from other segments	(3,301)	5,480	4,291	(6,470)	-	(3,790)	4,961	3,409	(4,580)	-
Total revenues	18,680	21,141	6,062	324	46,207	18,495	17,472	4,720	242	40,929
Net income/(loss) for the period	5,145	5,984	3,095	4,196	18,420	7,083	(1,689)	4,027	4,876	14,297
Segment assets	1,165,585	1,120,207	115,204	938,969	3,339,965	1,178,406	1,217,704	123,054	883,110	3,402,274
Unallocated assets					187,747					187,747
Total assets					3,527,712					3,590,021
Segment liabilities	749,189	835,606	934,125	247,088	2,766,008	818,722	755,535	906,447	374,707	2,855,411
Unallocated liabilities										
Total liabilities					2,766,008					2,855,411

	Audited Year ended October 31, 2011				
	RB	CLIB	WM	Admin	Total
External revenues	86,730	52,949	5,030	28,609	173,318
Revenues from other segments	(14,362)	23,716	16,408	(25,762)	-
Total revenues	72,368	76,665	21,438	2,847	173,318
Net income for the year	15,105	10,376	10,573	21,833	57,887
Segment assets	1,165,425	1,085,692	117,011	981,221	3,349,349
Unallocated assets					187,747
Total assets					3,537,096
Segment liabilities	753,623	846,511	929,446	249,291	2,778,871
Unallocated liabilities					-
Total liabilities					2,778,871

Notes:

The Bank implemented a new organisational structure with effect from January 1, 2012, which introduced a new business segment, Wealth Management ("WM"). The Bank's operations are now organised into three business segments, Retail Banking ("RB"), Corporate Lending and Investment Banking ("CLIB") and Wealth Management ("WM"), which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, HR, Technology & Operations, Risk and Other). The Administration segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, CLIB and WM. Please refer to note 26 of the Bank's Annual Report 2011 for further details.

Concurrently, the assumptions underpinning the segment allocation methodologies were updated, resulting in changes to segment performance. Prior period disclosures were amended to conform to this current presentation basis.