



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review
Of the Results
For the three months ended January 31, 2014

Net income for the three months ended January 31, 2014 totaled \$8.1 million versus \$2.8 million for the same period in the prior year. Total operating income of \$47.2 million was up \$6.6 million when compared with the corresponding three month period in the prior year, mainly driven by increases in net securities gains and net interest income.

Loan loss impairment expenses declined by \$1.7 million from the same period in the prior year, while operating expenses were up \$3.0 million mainly due to higher professional and management fees and business taxes.

Tier I and Total Capital ratios remained strong at 27% and 28%, respectively which are well in excess of the minimum regulatory requirements. The Bank continues to focus on executing its strategic priorities to further improve customer experience and pursue risk-controlled growth.

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

Marie Rodland-Allen
Managing Director

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

	Unaudited January 31, 2014	Unaudited January 31, 2013 Restated*	Unaudited October 31, 2013 Restated*
Assets			
Cash, balances with The Central Bank and due from banks	496,631	287,443	265,249
Financial assets at fair value through profit or loss	-	13,250	-
Other assets	10,983	2,458	7,704
Investment securities	550,831	612,572	690,454
Loans and advances to customers	2,082,083	2,265,991	2,122,045
Property and equipment	24,134	26,126	24,294
Goodwill	187,747	187,747	187,747
Total assets	3,352,409	3,395,587	3,297,493
Liabilities			
Customer deposits	2,565,410	2,553,723	2,499,328
Financial liabilities at fair value through profit or loss	-	13,250	-
Other liabilities	69,560	63,977	69,475
Total liabilities	2,634,970	2,630,950	2,568,803
Equity			
Issued capital	477,230	477,230	477,230
Reserves	(39,541)	(29,589)	(34,152)
Retained earnings	279,750	316,996	285,612
Total equity	717,439	764,637	728,690
Total liabilities and equity	3,352,409	3,395,587	3,297,493

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Director

Director

Condensed Consolidated Statement of Changes in Equity
BS'000

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2012 (Restated)*	477,230	(38,548)	332,765	771,447
Total comprehensive income for the period (Restated)*	-	5,990	2,828	8,818
Dividends	-	-	(15,628)	(15,628)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	2,654	(2,654)	-
Transfer to Statutory Loan Reserve	-	315	(315)	-
Balance at January 31, 2013 (Restated)*	477,230	(29,589)	316,996	764,637
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

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Condensed Consolidated Statement of Income/(Loss)
BS'000

	Unaudited Three Months Ended January 31, 2014	Unaudited Three Months Ended January 31, 2013 Restated*	Unaudited Year Ended October 31, 2013 Restated*
Total interest income	39,611	39,283	156,417
Total interest expense	4,262	5,874	20,914
Net interest income	35,349	33,409	135,503
Other operating income	11,804	7,166	32,741
Total operating income	47,153	40,575	168,244
Operating expenses	23,548	20,517	104,988
Loan loss impairment	15,500	17,230	77,502
	39,048	37,747	182,490
Net income/(loss) for the period	8,105	2,828	(14,246)

Weighted average number of common shares outstanding for the period 120,216,204 120,216,204 120,216,204

Net earnings/(loss) per share (in cents) 6.7 2.4 (11.9)

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Condensed Consolidated Statement of Comprehensive Income/(Loss)
BS'000

	Unaudited Three Months Ended January 31, 2014	Unaudited Three Months Ended January 31, 2013 Restated*	Unaudited Year Ended October 31, 2013 Restated*
Net income/(loss) for the period	8,105	2,828	(14,246)
Other comprehensive income			
Net (loss)/gains on available-for-sale investment securities	(3,789)	5,990	3,239
Re-measurement gains/(loss) of Retirement benefit obligations	61	-	(492)
Total comprehensive income/(loss) for the period	4,377	8,818	(11,499)

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Condensed Consolidated Statement of Cash Flows
BS'000

	Unaudited Three months ended January 31, 2014	Unaudited Three months ended January 31, 2013 Restated*	Unaudited Year Ended October 31, 2013 Restated*
Net cash from operating activities	108,543	89,377	157,337
Net cash from/(used in) investing activities	142,356	2,958	(58,281)
Net cash used in financing activities	(15,628)	(15,628)	(31,256)
Net increase in cash and cash equivalents	235,271	76,707	67,800
Cash and cash equivalents, beginning of the period	205,092	137,292	137,292
Cash and cash equivalents, end of the period	440,363	213,999	205,092

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Notes to the Condensed Consolidated Financial Statements
January 31, 2014

1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank (Bahamas) Limited should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2013, included in the Bank's Annual Report 2013. 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, has 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 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) Nominee Company Limited
- FirstCaribbean International Land Holdings (TCD) Limited

Dividends

During the quarter, the final dividends for the fiscal year ended October 31, 2013, as approved by the Board of Directors at a meeting held on December 18, 2013, in the amount of \$15.6 million (\$0.13 per share), were paid.

2. Changes to Accounting Policies

IAS 19 "Employee Benefits" - In June 2011, the International Accounting Standards Board (IASB) published an amended version of International Accounting Standards (IAS) 19 which became effective for the Bank on November 1, 2013. The amendments require the following: (i) recognition of actuarial gains and losses in Other Comprehensive Income (OCI) in the period in which they arise; (ii) recognition of interest income on plan assets in net income using the same rate as that used to discount the retirement benefit obligation; and (iii) recognition of all past service costs/(gains) in net income in the period in which they arise. We adopted the amendments to IAS 19 on a retrospective basis effective November 1, 2012. The increase/(decrease) on the consolidated statement of financial position as a result of the retrospective application of the amendments to IAS 19 was as follows:

BS'000 as at	October 31, 2013	October 31, 2012	November 1, 2012
Other assets			
Retirement benefit assets	(11,236)	(12,175)	(12,917)
Other liabilities			
Retirement benefit obligations	4,528	6,705	5,310
Retained Earnings	3,609	(109)	-
Reserves	(19,264)	(18,771)	(18,227)

The increase/(decrease) in the consolidated statement of income and consolidated statement of comprehensive income as a result of the retrospective application of the amendments to IAS 19 was as follows:

BS'000	For the three months ended		For the year ended	
	October 31, 2013	January 31, 2013	October 31, 2013	October 31, 2012
Net income/(loss)	2,380	410	3,609	(109)
Total OCI	(492)	-	(492)	(544)

Condensed Consolidated Segment Information
BS'000

	Unaudited Three Months Ended January 31, 2014				Unaudited Year Ended January 31, 2013 (Restated)*					
	RB	WB	WM	Admin	Total	RB	WB	WM	Admin	Total
External revenues	23,636	13,477	1,529	8,511	47,153	22,669	11,824	1,788	4,894	40,575
Revenues from other segments	(5,361)	5,361	2,312	(7,112)	-	(4,630)	4,178	4,875	(6,055)	-
Total revenues	20,075	18,838	6,841	1,399	47,153	18,039	16,002	6,663	(1,161)	40,575
Net income/(loss) for the period	3,362	(4,064)	3,898	4,909	8,105	1,139	(6,079)	4,185	3,583	2,828
Segment assets	1,105,753	903,766	102,859	1,052,284	3,164,662	1,133,457	1,846,079	113,666	914,638	3,097,840
Unallocated assets	-	-	-	-	187,747	-	-	-	-	187,747
Total assets					3,352,409					3,395,587
Segment liabilities	764,206	794,858	1,001,114	74,792	2,634,970	769,320	782,199	1,004,723	74,708	2,630,950
Unallocated liabilities	-	-	-	-	187,747	-	-	-	-	187,747
Total liabilities					2,634,970					2,630,950

	Unaudited Year ended October 31, 2013 (Restated)*				
	RB	WB	WM	Admin	Total
External revenues	98,231	50,141	7,119	24,753	180,244
Revenues from other segments	(15,028)	18,755	20,150	(23,877)	-
Total revenues	71,203	68,896	27,269	876	180,244
Net income/(loss) for the year	(35,258)	(13,035)	14,814	19,233	(14,246)
Segment assets	1,101,961	997,165	108,885	961,735	3,109,746
Unallocated assets	-	-	-	-	187,747
Total assets					3,297,493
Segment liabilities	735,320	753,314	961,354	98,835	2,568,803
Unallocated liabilities	-	-	-	-	187,747
Total liabilities					2,568,803

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made for the change in International Accounting Standards 19 - "Employee Benefits". Refer to Note 2.

Notes:
The Bank implemented a new organizational structure with effect from January 1, 2012 which introduced a new business segment, Wealth Management ("WM"); and in August 2013, renamed Corporate Lending 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 office of the same for RB, WB and WM. Please refer to Note 26 of the Bank's Annual Report 2013 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.