

FirstCaribbean International Bank (Bahamas) Limited
Chairman's Review
Of the Results
For the six months ended April 30, 2008

The consolidated net income of FirstCaribbean International Bank (Bahamas) Limited was \$26.2 million in quarter two and \$30.6 million for the six months ended April 30, 2008.

The Bank's net interest income (NII) was \$71.2 million, compared to \$71.7 million for the same period last year. The marginal decrease in NII for the first six months is notable, because it was achieved despite the decline in U.S. interest rates, softening in both Bahamas and US economies and a \$276 million reduction in securities investments. Interest income decreased \$11.1 million, or 8%, and interest expense decreased \$10.7 million, or 15%, from the prior year.

This result continues to reflect the consequences of increased global credit spreads, the weak performance of the outsourced international investment portfolio, and hedge accounting policy changes, particularly during the first quarter.

Operating expenses for the six months were \$32.5 million. Excluding the impact of the \$7.3 million curtailment gain, discussed in Note 3, expenses were just 1% higher than prior year.

The Bank's total assets at April 30, 2008 were \$4.8 billion, representing a growth of \$63 million from last year. The loans balance remains stable at \$2.4 billion with an \$8.5 million increase over last year. Deposit balances increased by \$413 million or 11% over last year to \$4.0 billion.

Better performance of the outsourced portfolio, a return to hedge accounting effectiveness, as well as continued strong performance of the Bank's core business facilitated the improved financial results in the second quarter. The Bank continues to take proactive measures to further strengthen its core businesses and mitigate against external factors. Similarly, excellence in customer service remains a priority.

The Directors have declared an interim dividend of 20 cents per share payable on July 4, 2008 to shareholders of record at the close of business on June 27, 2008.

We thank our customers and shareholders for their continuing loyalty and patronage and our dedicated staff for their contribution.



Michael K. Mansoor
Chairman

FirstCaribbean International Bank (Bahamas) Limited
Consolidated Balance Sheet
BS'000

	Unaudited April 30, 2008	Unaudited April 30, 2007 (Restated)	Audited October 31, 2007
Assets			
Cash and due from banks	798,924	489,258	269,434
Securities	1,212,527	1,488,682	1,722,181
Loans and advances to customers	2,449,318	2,440,833	2,415,975
Goodwill	187,747	187,747	187,747
Property and equipment	26,478	27,755	26,954
Other assets	83,256	60,968	46,164
Total assets	4,758,250	4,695,243	4,668,455
Liabilities			
Customer deposits	4,025,023	3,612,488	3,661,406
Other borrowed funds	-	376,281	278,171
Other liabilities	49,805	55,811	64,926
Debt securities in issue	20,610	20,610	20,620
Total liabilities	4,095,438	4,065,190	4,025,123
Equity			
Share capital and reserves	453,485	432,701	436,297
Retained earnings	209,327	197,352	207,035
	662,812	630,053	643,332
Total liabilities and equity	4,758,250	4,695,243	4,668,455



Director



Director

FirstCaribbean International Bank (Bahamas) Limited
Consolidated Statement of Changes in Equity
BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2006 as restated	436,030	160,708	596,738
Net income for the period	-	65,357	65,357
Dividends	-	(30,054)	(30,054)
Revaluation gains/(losses)	(1,988)	-	(1,988)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	-	-
Transfer to Statutory Loan Reserve	(1,341)	1,341	-
Balance at April 30, 2007	432,701	197,352	630,053
Balance at October 31, 2007	436,297	207,035	643,332
Net income for the period	-	30,557	30,557
Dividends	-	(30,054)	(30,054)
Revaluation gains/(losses)	14,109	-	14,109
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	-	-
Release from Statutory Loan Reserve	3,079	1,789	4,868
Balance at April 30, 2008	453,485	209,327	662,812

FirstCaribbean International Bank (Bahamas) Limited
Consolidated Statement of Income
BS'000

	Unaudited Quarter Ended	Unaudited Six Months Ended	Unaudited Six Months Ended	Audited Year Ended
	April 30, 2008	April 30, 2007 (Restated)	April 30, 2008	October 31, 2007
Total interest income	65,316	67,952	130,675	141,815
Total interest expense	(24,639)	(35,003)	(59,430)	(70,094)
Net interest income	40,677	32,949	71,245	71,721
Operating income	3,654	13,788	(1,848)	20,289
	44,331	46,737	69,397	92,010
Operating expenses	16,498	16,721	32,532	24,933
Loan loss expense	1,622	604	6,308	1,720
	18,120	17,325	38,840	26,653
Net income	26,211	29,412	30,557	65,357
			120,216,204	120,216,204
Weighted average number of common shares outstanding for the period			120,216,204	120,216,205
Earnings per share (in cents)			25.4	54.4
				91.4

FirstCaribbean International Bank (Bahamas) Limited
Consolidated Statement of Cash Flows
BS'000

	Unaudited Six Months Ended April 30, 2008	Unaudited Six Months Ended April 30, 2007 (Restated)	Audited Year Ended October 31, 2007
Net cash from (used in) operating activities	822,936	25,466	225,876
Net cash from (used in) financing activities	(308,235)	85,493	(43,647)
Net cash from (used in) investing activities	13,994	14,972	(156,168)
Net increase (decrease) in cash and cash equivalents	528,695	125,931	26,061
Cash and cash equivalents, beginning of period	206,145	180,084	180,084
Cash and cash equivalents, end of period	734,840	306,015	206,145

FirstCaribbean International Bank (Bahamas) Limited
Notes to Consolidated Interim Financial Statements
Six Months Ended
April 30, 2008

1. Accounting Policies

The accounting policies used in the preparation of these consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended October 31, 2007.

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 (TCL) Limited

2. Comparatives

Where necessary, comparative figures have been adjusted to comply with changes in presentation in the current year.

For the year ended October 31, 2007, a review of the Bank's hedge accounting revealed that existing hedge documentation was not adequate. Consequently, all hedges existing as of that date were disqualified from having met the criteria for hedge accounting. The effect of this was that upon disqualification, the hedges are treated as if the disqualification existed from inception of the hedges. The impact on the financial statements as of October 31, 2006 was to reduce net income attributable to equity holders of the Bank by \$9,972. Reserves were increased by \$474, and opening retained earnings increased by \$830.

Effective January 1, 2008, the Bank had enhanced its documentation and again met the criteria for hedge accounting.

3. Post Retirement Benefits

Effective January 1, 2007 certain changes to the Bank's post retirement health benefit schemes were made which resulted in the recognition of a curtailment gain of \$7.3 million. Total curtailment gain for the fiscal year was \$8.7 million.