

FirstCaribbean International Bank (Bahamas) Limited

Consolidated Financial Statements

For the nine months ended July 31, 2005



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REVIEW

FirstCaribbean International Bank (Bahamas) Limited earned a consolidated net income and operating profit for the nine months ending July 31, 2005 of \$71.6 million. The operating profit, i.e. net income before integration charges and goodwill amortisation, improved by \$25 million or 54% over the same period last year. Earnings per share (based on operating profit) was 59.6 cents, 20.5 cents greater than the amount for the same period of last year.

The Bank's net interest income for the nine-month period rose to \$92 million, which represented an increase of \$22 million over the same period last year. The Bank's US dollar bank placements and the securities portfolios continued to yield significantly higher interest income as the US fed rate rose by 1.5% since October 31, 2004. Consequently the net interest margin for the period was 3.7%, which was an increase of 0.8% over last year. Operating expenses are well within the budgeted expenses for the period.

At July 31, 2005, the total assets of the Bank were \$3,421 million, a growth of \$219 million or 7% from this date last year and \$160 million or 5% since last fiscal year-end. This growth was generated by the increase in loans, both residential mortgages and business loans, which increased by \$90 million and \$79 million respectively from last fiscal year-end. Total deposit liabilities grew by \$178 million or 6.6% since this date last year, and by \$117 million or 4% from last fiscal year-end.

The return on assets for the nine months was 2.9%, which is an improvement of 0.9% from last year (before integration and goodwill charges). Likewise, the return on equity (before integration and goodwill charges) improved by 8%, increasing from 19% to 27% for the nine months of this year.

I am satisfied with the performance of the Bank for the first three quarters of this year and look forward to the continuation of these favourable trends.

Michael K. Mansoor
Chairman

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED Notes to Consolidated Interim Financial Statements

1. Accounting Policies

These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. 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, 2004.

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 (TCI) Limited

2. Prior Period Adjustment

Other assets balance as previously reported at July 31, 2004 included a receivable amount of \$1.9 million representing the overpayment of remittances to Barclays PLC for periods prior to the combination of CIBC Bahamas and Barclays Bahamas. At the time of the combination, the overpayment was accounted for in the net asset valuation and therefore the other assets balances were incorrectly stated. In accordance with IFRS, the balances for July 31, 2004 are restated and opening retained earnings for 2004 was reduced accordingly.

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED Consolidated Balance Sheet BS'000

Assets	Unaudited July 31, 2005	Unaudited July 31, 2004 (Restated)	Audited October 31, 2004
Cash and due from banks	828,433	930,895	864,055
Securities	475,250	372,964	452,145
Loans	1,837,127	1,644,341	1,669,007
Goodwill	187,747	187,748	187,747
Fixed assets	32,335	33,401	35,334
Other assets	59,932	32,468	52,695
Total assets	3,420,824	3,201,817	3,260,983
Liabilities			
Total deposits	2,824,252	2,645,854	2,707,621
Other liabilities	45,508	46,046	28,270
Total liabilities	2,869,760	2,691,900	2,735,891
Equity			
Share capital & reserves	416,464	414,364	414,364
Retained earnings	134,600	95,553	110,728
	551,064	509,917	525,092
Total liabilities and shareholders' equity	3,420,824	3,201,817	3,260,983

Sharon Brown
Director

Terence Hills
Director

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED Consolidated Statement of Changes in Shareholders' Equity BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2003, as restated	413,664	87,076	500,740
Net income for the period		46,443	46,443
Dividends		(37,266)	(37,266)
Transfer to Statutory Reserve Fund – Turks & Caicos Islands	700	(700)	-
Balance at July 31, 2004	414,364	95,553	509,917
Balance at October 31, 2004	414,364	110,728	525,092
Net income for the period		71,654	71,654
Dividends		(45,682)	(45,682)
Transfer to Statutory Reserve Fund – Turks & Caicos Islands	2,100	(2,100)	-
Balance at July 31, 2005	416,464	134,600	551,064

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED Consolidated Statement of Cash Flows BS'000

	Unaudited Nine Months Ended July 31, 2005	Unaudited Nine Months Ended July 31, 2004	Audited Year Ended October 31, 2004
Net cash provided by (used in) operating activities	30,275	(98,456)	(89,680)
Net cash used in financing activities	(45,682)	(37,266)	(37,266)
Net cash used in investing activities	(20,215)	(44,778)	(126,908)
Net decrease in cash and cash equivalents	(35,622)	(180,500)	(253,854)
Cash and cash equivalents, beginning of period	817,993	1,071,847	1,071,847
Cash and cash equivalents, end of period	782,371	891,347	817,993

FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED Consolidated Statement of Income BS'000

	Unaudited Quarter Ended		Unaudited Nine Months Ended		Audited Year Ended
	July 31, 2005	July 31, 2004	July 31, 2005	July 31, 2004	October 31, 2004
Total interest income	46,826	39,957	137,445	111,293	153,961
Total interest expenses	(16,048)	(15,886)	(45,668)	(41,275)	(55,108)
Net interest income	30,778	24,071	91,777	70,018	98,853
Non-interest income	10,405	8,693	30,639	28,988	36,907
	41,183	32,764	122,416	99,006	135,760
Non-interest expenses	16,399	16,044	46,563	45,950	65,954
Provision for credit losses	1,519	1,475	4,199	6,090	7,909
	17,918	17,519	50,762	52,040	73,863
Operating profit	23,265	15,245	71,654	46,966	61,897
Integration expenses	-	217	-	523	279
Goodwill amortisation	-	(4,944)	-	-	-
Net income	23,265	19,972	71,654	46,443	61,618

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
Earnings per share (in cents)	19.4	16.6	59.6	38.6	51.3
Earnings per share, before goodwill and integration expenses (in cents)	19.4	12.7	59.6	39.1	51.5