FirstCaribbean International Bank (Bahamas) Limited

FIRSTCARIBBEAN INTERNATIONAL BANK

Consolidated Interim Financial Statements
For the nine months ended July 31, 2007
(All figures expressed in thousands of Bahamas Dollars)

Chairman's Review

FirstCaribbean International Bank (Bahamas) Limited earned a consolidated net income of $85.2 million for the nine months ending July 31, 2007. This represented an increase of $2.3 million or 2.8% over last year's restated net income. Excluding the impact of the changes as described in notes 3, 5 and 6 to these interim statements, which had a positive impact of $4.9 million, the net income to date was 3.2% less than last year due to higher cost of deposits resulting from the tight local dollar liquidity as well as lower returns on our US dollar investment portfolios.

Total revenues for the period amounted to $134.7 million, same as last year. Earnings on our US dollar investment portfolios in the third quarter were adversely impacted by global widening of credit spreads, which led to a reduction of $4 million when compared to last year.

Total interest income rose 24% or $41 million over last year as both loan balances and investments increased. Total interest expense also increased $42.8 million due to higher customer deposits and additional borrowings as well as the increased rates paid on customer deposits. Consequently, the Bank's net interest income for the nine-month period was $106.3 million, $1.7 million lower than last year.

Operating expenses for the period were $41.4 million, a reduction of $8.9 million from the same period last year and the ratio of expenses to revenue improved by 7% over last year to 31% for the nine months of this fiscal year. Excluding the impact of the changes noted above, operating expenses was $48 million, $2.3 million less than last year. Loan loss expense was $8 million, an increase of $6.6 million over last year as loan provisions were prudently made during the third quarter of this year.

The total assets of the Bank at July 31, 2007 were $4.8 billion, representing a growth of $920 million or 24% over last year and $350 million or 8% since last fiscal year end.

Earnings per share was 70.9 cents, 1.9 cents greater than the amount for the same period last year. Excluding the impact of the changes as noted above, earnings per share was 65.4 cents for the period.

The return on assets for the nine months was 2.4%, and the return on tangible equity was 26%.

The Directors thank our customers and employees for their continued support.

Michael K. Mansoor
Chairman

Consolidated Balance Sheet
B$'000

	Unaudited July 31, 2007	Unaudited July 31, 2006 (Restated)	Audited October 31, 2006 (Restated)
Assets			
Cash and balances with banks	**545,430**	**611,430**	367,400
Securities	**1,534,086**	**671,716**	1,367,651
Loans and advances to customers	**2,453,017**	**2,339,865**	2,444,830
Intangible assets	**187,747**	**187,747**	187,747
Property, plant and equipment	**27,251**	**28,917**	29,209
Other assets	**54,579**	**42,327**	55,248
Total assets	**4,802,110**	**3,882,002**	4,452,085
Liabilities			
Deposits	**3,722,618**	**3,260,068**	3,503,903
Other borrowed funds	**373,951**	–	281,344
Other liabilities	**54,832**	**44,736**	61,432
Debt securities in issue	**20,305**	–	–
Total liabilities	**4,171,706**	**3,304,804**	3,846,679
Equity			
Share capital & reserves	**436,358**	**435,525**	435,556
Retained earnings	**194,046**	**141,673**	169,850
	630,404	**577,198**	605,406
Total liabilities and equity	**4,802,110**	**3,882,002**	4,452,085

Sharon Brown
Director

Terrrence Hilts
Director

Consolidated Statement of Changes in Equity
B$'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2005 as previously reported	417,281	162,439	579,720
Prior period adjustment		(18,481)	(18,481)
Balance at October 31, 2005 as restated	**417,281**	**143,958**	**561,239**
Net income for the period as previously reported		83,627	83,627
Prior period adjustment	_	(732)	(732)
Net income as restated	_	82,895	82,895
Dividends		(66,119)	(66,119)
Revaluation gains/(losses)	(817)		(817)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	4,000	(4,000)	–
Transfer to Statutory Loan Reserve	15,061	(15,061)	
Balance at July 31, 2006	435,525	141,673	577,198
Balance at October 31, 2006	435,556	169,850	605,406
Net income for the period		85,191	85,191
Dividends		(56,500)	(56,500)
Revaluation losses	(3,693)		(3,693)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	5,200	(5,200)	–
Release from Statutory Loan Reserve	(705)	705	–
Balance at July 31, 2007	436,358	194,046	630,404

Consolidated Statement of Income
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	Unaudited Quarter Ended July 31, 2007	Unaudited Quarter Ended July 31, 2006 (Restated)	Unaudited Nine Months Ended July 31, 2007	Unaudited Nine Months Ended July 31, 2006 (Restated)	Audited Year Ended Oct 31, 2006
Total interest income	**69,678**	61,646	**211,493**	170,429	239,740
Total interest expense	**(35,086)**	(24,403)	**(105,180)**	(62,380)	(91,407)
Net interest income	**34,592**	37,243	**106,313**	108,049	148,333
Operating income	**8,083**	8,181	**28,372**	26,620	33,536
	42,675	45,424	**134,685**	134,669	181,869
Operating expenses	**16,514**	18,459	**41,447**	50,359	65,873
Loan loss expense	**6,327**	(1,121)	**8,047**	1,415	5,324
	22,841	17,338	**49,494**	51,774	71,197
Net income	**19,834**	28,086	**85,191**	82,895	110,672
Weighted average number of common shares outstanding for the period			**120,216,204**	120,216,204	120,216,205
Earnings per share (in cents)			**70.9**	69.0	92.1

Consolidated Statement of Cash Flows
B$'000

	Unaudited Nine Months Ended July 31, 2007	Unaudited Nine Months Ended July 31, 2006 (Restated)	Audited Year Ended Oct 31, 2006 (Restated)
Net cash from (used in) operating activities	**140,776**	25,862	**(253,390)**
Net cash from (used in) financing activities	**56,412**	(66,119)	**214,573**
Net cash used in investing activities	**(14,071)**	(139,974)	**(523,210)**
Net increase (decrease) in cash and cash equivalents	**183,117**	(180,231)	**(562,027)**
Cash and cash equivalents, beginning of period	**180,084**	742,111	**742,111**
Cash and cash equivalents, end of period	**363,201**	561,880	**180,084**

Notes to Consolidated Interim Financial Statements Nine Months Ended July 31, 2007

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, 2006.

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. Comparatives

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

In the prior year, in accordance with IAS 18 Revenue, loan fee income, which would have been considered to be an intergral part of the effective interest rate of the financial instruments, was deferred and recognised as an adjustment to the effective interest yield on the loan. This adjustment was applied retrospectively, and as such, the comparative statements for 2005 were restated. The 2006 previously published comparatives have also been restated to reflect this adjustment.

3. Change in Accounting Estimate
Effective November 1, 2006, the Bank changed its estimate on the useful life of software which resulted in an increase in the depreciation charge for the nine-month period in the amount of $731.

4. Change in Accounting Policy
Effective March 1, 2007, the Bank changed the date on which all purchases and sales of financial assets at fair value through the profit and loss are to be recognised from trade date to settlement date. The audited October 31, 2006 balances have been restated to reflect this change. The impact on the audited October 31, 2006 balances was to reduce trading securities by $157 million, other assets by $82 million and other liabilities by $239 million. There was no impact on the year to date July 31, 2006 balances.

5. 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 $7.2 million.

6. Related Party Transactions
The agreement with Barclays Bank PLC whereby the Bank would receive an annual payment from Barclays Bank PLC of $10 million as an incentive to retain deposit placements with Barclays Capital expired on December 31, 2005. The comparative period ended July 31, 2006 would therefore include income for the final two months in the amount of $1.7 million within operating income.

7. Deposits
Included in deposits are deposits from related entities in the amount of $605 million (July 31 2006: $243 million) which may be repaid within the year.

8. Issuance of Debt Instruments
On November 3, 2006, the Bank issued $20 million redeemable floating rate notes at prime plus 0.75% which mature November 3, 2011.

The above information is an extract from the full financial statements within the meaning of the related Banking Act, and is also available at our website www.firstcaribbeanbank.com.
The full financial statements can be inspected on request.