

FirstCaribbean International Bank (Bahamas) Limited
Chairman's Review
Of the Results
For the nine months ended July 31, 2008

The consolidated net income of FirstCaribbean International Bank (Bahamas) Limited for the third quarter was \$26.7 million compared to \$17.8m for Q3 of the previous year. Net income for the nine months was \$57.3 million.

These results continue to demonstrate the underlying strength and resiliency of the Bank's core business, despite the signs of weak growth in the domestic and international economies. Net interest income (NII)—a primary measure of core performance—was \$109.8 million, compared to \$106.3 million for the same period last year.

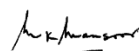
Net income for the nine months ended July 31 was impacted by three significant factors that occurred primarily during our first quarter as follows:

- The impact of widening global credit spreads which commenced in the third quarter of last fiscal year and its resultant \$19.2m adverse impact this year on our outsourced securities performance. This decline was slightly offset by growth in commissions and fee income.
- The Bank was unable to claim hedge accounting, and for the nine months of fiscal 2008, the cumulative impact is a loss of \$1.8m greater than the prior year comparative. The Bank has since reinstated these hedges from an accounting perspective. In Q3, the Bank made significant strides in recouping the losses incurred in the first quarter.
- A \$7.3 curtailment gain in the prior year had the effect of reducing operating expenses to \$41.4m. Excluding the impact of this gain, last year's expenses would have been \$48.7m. For the current period those expenses were \$49.1 million, an increase of less than 1%.

We continue to take a prudent approach to providing for our loan portfolio, and the increase of \$7.0m in the year-to-date provision reflects our estimates of the impact of current developments on our portfolio. Loans and advances of \$2.5 billion reflected a growth of \$54 million from the prior year-end, while deposit balances remained stable.

In these circumstances, we consider the year-to-date results to be satisfactory.

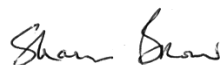
We thank our customers and shareholders for their continuing loyalty and patronage and our dedicated staff for their contribution.



Michael K. Mansoor
Chairman

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

	Unaudited July 31, 2008	Unaudited July 31, 2007 (Restated)	Audited October 31, 2007
Assets			
Cash and due from banks	487,361	545,430	269,434
Securities	1,145,519	1,522,768	1,722,181
Loans and advances to customers	2,470,152	2,453,589	2,415,975
Goodwill	187,747	187,747	187,747
Property and equipment	25,919	27,251	26,954
Other assets	33,897	54,579	46,164
Total assets	4,350,595	4,791,364	4,668,455
Liabilities			
Customer deposits	3,600,070	3,722,618	3,661,406
Other borrowed funds	-	373,951	278,171
Other liabilities	65,168	54,832	64,926
Debt securities in issue	20,313	20,305	20,620
Total liabilities	3,685,551	4,171,706	4,025,123
Equity			
Share capital & reserves	458,844	436,827	436,297
Retained earnings	206,200	182,831	207,035
	665,044	619,658	643,332
Total liabilities and equity	4,350,595	4,791,364	4,668,455



Sharon Blais
Director



John Stewart
Director

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

	Unaudited Quarter Ended		Unaudited Nine Months Ended		Audited Year Ended
	July 31, 2008	July 31, 2007 (Restated)	July 31, 2008	July 31, 2007 (Restated)	October 31, 2007
Total interest income	66,981	69,678	197,656	211,493	288,601
Total interest expense	(28,384)	(35,086)	(87,814)	(105,180)	(141,441)
Net interest income	38,597	34,592	109,842	106,313	147,160
Operating income	13,348	6,010	11,500	26,299	32,143
	51,945	40,602	121,342	132,612	179,303
Operating expenses	16,521	16,514	49,053	41,447	57,104
Loan loss expense	8,718	6,327	15,026	8,047	12,339
	25,239	22,841	64,079	49,494	69,443
Net income	26,706	17,761	57,263	83,118	109,860

Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,205
Earnings per share (in cents)	47.6	69.1	91.4

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	-	83,118	83,118
Dividends	-	(56,500)	(56,500)
Revaluation reserves-available-for-sale investment securities	(3,698)	-	(3,698)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	5,200	(5,200)	-
Release from Statutory Reserve Fund	(705)	705	-
Balance at July 31, 2007	436,827	182,831	619,658
Balance at October 31, 2007	436,297	207,035	643,332
Net income for the period	-	57,263	57,263
Dividends	-	(54,097)	(54,097)
Revaluation reserves-available-for-sale investment securities	18,547	-	18,547
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	6,085	(6,085)	-
Release from Statutory Reserve Fund	(2,085)	2,085	-
Balance at July 31, 2008	458,844	206,200	665,044

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

	Unaudited Nine Months Ended July 31, 2008	Unaudited Nine Months Ended July 31, 2007 (Restated)	Audited Year Ended October 31, 2007
Net cash from operating activities	395,915	140,776	225,876
Net cash from (used in) financing activities	(332,575)	56,412	(43,647)
Net cash used in investing activities	(96,287)	(14,071)	(156,168)
Net increase (decrease) in cash and cash equivalents	(32,947)	183,117	26,061
Cash and cash equivalents, beginning of period	206,145	180,084	180,084
Cash and cash equivalents, end of period	173,198	363,201	206,145

FirstCaribbean International Bank (Bahamas) Limited
Notes to Consolidated Interim Financial Statements
Nine Months Ended
July 31, 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 (TCI) 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.

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 recognized 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.