



FirstCaribbean International Bank (Bahamas) Limited
Chairman's Review
Of the Results
For the nine months ended July 31, 2013

Net income for the nine months ended July 31, 2013 totaled \$11.8 million, with net revenues of \$123.9 million. Operating expenses, loan loss impairment expenses and non-credit losses increased compared with the corresponding nine-month period in the prior year. Strained economic conditions continue to have an adverse impact on the financial results. Total assets stood at \$3.3 billion at July 31, 2013.

Tier I and total capital ratios remained strong at 28% and 29%, respectively, which are well in excess of the minimum regulatory requirements.

We thank the Board, management, employees and most importantly our customers for their continuing support.

Michael K. Mansoor
Chairman

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

	Unaudited July 31, 2013	Unaudited July 31, 2012	Audited October 31, 2012
Assets			
Cash, balances with The Central Bank and due from banks	240,530	248,219	246,625
Financial assets at fair value through profit or loss	11,278	19,255	14,855
Other assets	11,204	16,163	14,919
Investment securities	671,804	630,900	606,911
Loans and advances to customers	2,177,739	2,271,918	2,259,537
Property and equipment	25,788	26,849	26,517
Goodwill	187,747	187,747	187,747
Total assets	3,326,090	3,401,051	3,357,111
Liabilities			
Customer deposits	2,510,020	2,562,124	2,503,239
Financial liabilities at fair value through profit or loss	11,278	19,255	14,855
Other liabilities	34,265	40,798	48,688
Total liabilities	2,555,563	2,622,177	2,566,782
Equity			
Share capital and reserves	459,742	456,006	457,454
Retained earnings	310,785	322,868	332,875
Total equity	770,527	778,874	790,329
Total liabilities and equity	3,326,090	3,401,051	3,357,111

Director

Director

Condensed Consolidated Statement of Changes in Equity
BS'000

	Share Capital & Reserves	Retained Earnings	Total
Balance at October 31, 2011	449,410	308,815	758,225
Total comprehensive income for the period	5,779	46,126	51,905
Dividends	-	(31,256)	(31,256)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	2,195	(2,195)	-
Transfer to Statutory Loan Reserve	(1,378)	1,378	-
Balance at July 31, 2012	456,006	322,868	778,874
Balance at October 31, 2012	457,454	332,875	790,329
Total comprehensive (loss) income for the period	(302)	11,756	11,454
Dividends	-	(31,256)	(31,256)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	2,654	(2,654)	-
Transfer to Statutory Loan Reserve	(64)	64	-
Balance at July 31, 2013	459,742	310,785	770,527

Condensed Consolidated Statement of Income
BS'000

	Unaudited Three Months Ended July 31, 2013	Unaudited Three Months Ended July 31, 2012	Unaudited Nine Months Ended July 31, 2013	Unaudited Nine Months Ended July 31, 2012	Audited Year Ended October 31, 2012
Total interest income	36,646	44,084	115,393	127,007	167,910
Total interest expense	(5,092)	(10,412)	(16,324)	(21,297)	(27,476)
Net interest income	31,554	33,672	99,069	105,710	140,434
Other operating income	7,588	10,670	24,793	22,840	31,541
Total operating income	39,142	44,342	123,862	128,550	171,975
Operating expenses	24,558	21,864	71,536	59,874	82,321
Loan loss impairment	12,708	9,610	40,570	22,550	33,217
	37,266	31,474	112,106	82,424	115,538
Net income for the period	1,876	12,868	11,756	46,126	56,437

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)	1.6	10.7	9.8	38.4	46.9

Condensed Consolidated Statement of Comprehensive Income
BS'000

	Unaudited Three Months Ended July 31, 2013	Unaudited Three Months Ended July 31, 2012	Unaudited Nine Months Ended July 31, 2013	Unaudited Nine Months Ended July 31, 2012	Audited Year Ended October 31, 2012
Net income for the period	1,876	15,715	11,756	46,126	56,437
Other comprehensive income					
Net (losses) gains on available-for-sale investment securities	(2,406)	181	(302)	5,779	6,923
Total comprehensive (loss) income for the period	(530)	15,896	11,454	51,905	63,360

Condensed Consolidated Statement of Cash Flows
BS'000

	Unaudited Nine Months Ended July 31, 2013	Unaudited Nine Months Ended July 31, 2012	Audited Year Ended October 31, 2012
Net cash from/(used in) operating activities	105,135	16,974	(63,140)
Net cash (used in)/from investing activities	(47,432)	38,172	70,524
Net cash used in financing activities	(31,256)	(31,256)	(31,256)
Net increase/(decrease) in cash and cash equivalents	26,447	23,890	(23,872)
Cash and cash equivalents, beginning of period	137,292	161,164	161,164
Cash and cash equivalents, end of period	163,739	185,054	137,292

Notes to the Condensed Consolidated Financial Statements
July 31, 2013

Summary of significant accounting policies

The accompanying 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, 2012, included in the Bank's Annual Report 2012. For a description of the Bank's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

Basis of presentation

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, have 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 condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the 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 condensed consolidated financial statements, management is required to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

The consolidated condensed interim financial statements include the accounts of the following wholly owned subsidiaries:

FirstCaribbean Insurance Agency (Bahamas) Limited (formerly FirstCaribbean International Finance Corporation (Bahamas) Limited)
FirstCaribbean International (Bahamas) Nominees Company Limited
FirstCaribbean International Land Holdings (TCL) Limited

Dividends

An interim dividend of 13 cents per share was approved by the Board of Directors and paid during the third quarter.

Condensed Consolidated Segment Information
BS'000

	Unaudited Nine months ended July 31, 2013					Unaudited Nine months ended July 31, 2012				
	RB	WB	WM	Admin	Total	RB	WB	WM	Admin	Total
External revenues	62,467	37,593	5,120	18,682	123,862	67,162	38,518	4,772	18,098	128,550
Revenues from other segments	(11,096)	13,719	15,427	(18,050)	-	(10,990)	14,838	13,791	(17,639)	-
Total revenues	51,371	51,312	20,547	632	123,862	56,172	53,356	18,563	459	128,550
Net income for the period	(14,007)	1,183	12,867	11,713	11,756	12,130	11,515	10,564	11,917	46,126
Segment assets	1,115,833	976,861	112,886	932,763	3,138,343	1,149,916	1,037,861	111,096	914,431	3,213,304
Unallocated assets					187,747					187,747
Total assets					3,326,090					3,401,051
Segment liabilities	764,923	756,296	965,968	67,376	2,555,563	763,691	759,545	964,817	134,124	2,622,177
Unallocated liabilities					-					-
Total liabilities					2,555,563					2,622,177

	Audited Year ended October 31, 2012				
	RB	WB	WM	Admin	Total
External revenues	89,092	51,602	6,166	25,115	171,975
Revenues from other segments	(14,325)	19,773	18,795	(24,243)	-
Total revenues	74,767	71,375	24,961	872	171,975
Net income for the year	11,280	14,039	15,418	15,700	56,437
Segment assets	1,154,820	1,025,984	114,802	873,758	3,169,364
Unallocated assets					187,747
Total assets					3,357,111
Segment liabilities	772,005	750,883	929,892	114,002	2,566,782
Unallocated liabilities					-
Total liabilities					2,566,782

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, has 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, HR, Technology, Operations, Risk and Governance & Control). The Admin segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, WB and WM. Please refer to Note 26 of the Bank's Annual Report 2012 for further details.

Concurrently, the assumptions underpinning the segment allocation methodologies were updated resulting in changes to segment performance and prior period disclosures were amended to conform to this current presentation basis.

Prior period disclosures were amended to conform to this current presentation basis.