

FirstCaribbean International Bank Limited

Consolidated Financial Statements

For the period ended April 30, 2007 (All figures expressed in US dollars)



FIRSTCARIBBEAN
INTERNATIONAL BANK

CHAIRMAN'S REPORT

For the period ended April 30, 2007
(All figures in \$US)

Net income for the half year was \$120.5 million, a 43.5% increase year-on-year. These results are impacted by transactions which had a net positive impact of \$14 million, as disclosed in the accompanying notes. Excluding the effect of these transactions, the growth in earnings year-on-year is 26.8%. The Group continued its trend of strong performance in the second quarter with net income for the quarter of \$57.9 million.

Total revenue increased by \$38.1 million (15.7%). Net Interest income has risen by \$24.4 million or 13.7% over the prior year, driven principally by the increases in loan volumes as well as the acquisition of our Curaçao operations (only 3 months of operations included in the comparative period for 2006).

Loan balances have grown by over \$0.6 billion (13%) compared to the prior year and now stand at \$5.8 billion.

Operating expenses were \$11.1 million or 8% above the prior year (excluding the impact of the transactions), due to an additional quarter's expenses from our Curaçao operations and general increases in staff and other costs. Our efficiency ratio (ratio of costs to revenues) was 54.1% (excluding the transactions), an improvement over the prior fiscal 58.5%.

The annualised return on tangible equity for the period was 28.3% (2006 – 20.8%).

The Board of Directors has approved an interim dividend of U.S. 3.0 cents per share payable on July 20, 2007, to all shareholders of record on June 1, 2007.

We are pleased with our performance for the half-year ended April 30, 2007. We thank our many loyal customers for their continued support and our dedicated staff for their contribution.

Michael K. Mansoor
Chairman
May 30, 2007

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONDENSED CONSOLIDATED BALANCE SHEET (USD'000)

	Unaudited Period Ended April 30, 2007	Restated Unaudited Period Ended April 30, 2006	Restated Audited October 31, 2006
Assets			
Cash, balances with Central Banks and other banks	2,764,069	3,139,273	2,425,859
Financial assets at fair value through the profit or loss	1,438,861	770,374	1,161,318
Loans and advances to customers	5,869,721	5,190,287	5,670,824
Investment securities	1,574,685	385,541	1,572,193
Property, plant and equipment	134,795	138,205	139,680
Other assets	139,526	180,513	151,203
Intangible assets	348,955	352,271	349,418
Total assets	12,270,612	10,356,464	11,470,405
Liabilities			
Customer deposits and other borrowings	10,587,355	8,845,959	9,870,552
Other liabilities	128,634	159,596	193,003
Debt securities in issue	274,959	200,435	200,290
	10,990,948	9,205,990	10,263,845
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital & reserves	794,726	767,575	780,121
Retained earnings	460,391	361,528	403,610
	1,255,117	1,129,103	1,183,731
Minority interest	24,547	21,371	22,829
	1,279,664	1,150,474	1,206,560
Total liabilities and equity	12,270,612	10,356,464	11,470,405

Sir Fred Gollop
Director

Sir Allan Fields
Director

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONDENSED CONSOLIDATED STATEMENT OF INCOME (USD'000)

	Unaudited Quarter Ended April 30, 2007	Restated Unaudited Period Ended April 30, 2006	Unaudited Period Ended April 30, 2007	Restated Audited April 30, 2006	October 31, 2006
Interest income	186,861	156,847	378,436	294,332	637,685
Interest expense	(88,222)	(63,171)	(176,013)	(116,316)	(261,913)
Net interest income	98,639	93,676	202,423	178,016	375,772
Operating income	144,096	121,113	280,363	242,313	504,162
Operating expenses	77,527	71,410	137,536	140,403	294,864
Loan loss expenses	2,338	1,918	6,127	4,900	10,369
Amortisation of intangible assets	740	-	1,480	-	2,219
	80,605	73,328	145,143	145,303	307,452
Income before taxation and minority interest	63,491	47,785	135,220	97,010	196,710
Taxation	3,756	5,225	11,369	10,203	20,390
Net income for the year	59,735	42,560	123,851	86,807	176,320
Attributable to:					
Equity holders of the Company	57,899	41,248	120,505	84,000	170,632
Minority interest	1,836	1,312	3,346	2,807	5,688
Net Income for the year	59,735	42,560	123,851	86,807	176,320
Weighted average number of common shares outstanding (000's)	1,526,030	1,525,176	1,526,030	1,525,176	1,525,155
Net income per common share in cents attributable to the equity holders of the Company					
- basic	3.9	2.2	7.9	5.5	11.2
- diluted	3.9	2.2	7.9	5.5	11.2

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (USD'000)

	Attributable to Equity Holders of the Company				Total Equity
	Share Capital	Reserves	Retained Earnings	Minority Interest	
Balance at October 31, 2005 as previously reported	1,117,349	(380,748)	376,066	21,334	1,134,001
Prior period adjustment	-	(32,488)	(1,029)	-	(33,517)
As restated	1,117,349	(380,748)	345,578	20,305	1,100,484
Net income for the year as previously reported	-	-	85,678	2,855	88,533
Prior period adjustment	-	-	(1,678)	(48)	(1,726)
As restated	-	-	84,000	2,807	86,807
Dividends	-	-	(34,316)	(1,741)	(36,057)
Transfer to reserves	-	31,734	(31,734)	-	-
Foreign currency translation differences	-	(1,075)	-	-	(1,075)
Net change in available-for-sale investments securities	-	(4,035)	-	-	(4,035)
Net change in cash flow hedges	-	4,350	-	-	4,350
Balance at April 30, 2006 as restated	1,117,349	(349,774)	361,528	21,371	1,150,474
Balance at October 31, 2006	1,116,923	(336,802)	403,610	22,829	1,206,560
Net income for the period	-	-	120,505	3,346	123,851
Dividends	-	-	(45,725)	(1,610)	(47,335)
Purchase of treasury shares	(1)	-	-	-	(1)
Share based payment reserves	-	929	-	-	929
Transfer to reserves	-	15,758	(15,758)	-	-
Foreign currency translation differences	-	409	(2,241)	-	(1,832)
Net change in available-for-sale investments securities	-	(2,490)	0	(18)	(2,508)
Balance at April 30, 2007	1,116,922	(322,196)	460,391	24,547	1,279,664

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (USD'000)

	Unaudited Period Ended April 30, 2007	Restated Unaudited Period Ended April 30, 2006	Restated Audited October 31, 2006
Net cash from/(used in) operating activities	162,639	(526,026)	(540,286)
Net cash from investing activities	28,800	986,647	27,975
Net cash (used in)/from financing activities	(21,929)	(39,345)	588,848
Net increase in cash and cash equivalents for the year	169,510	421,276	76,537
Effect of exchange rate changes on cash and cash equivalents	(1,832)	(1,075)	(2,241)
Cash and cash equivalents, beginning of year	2,076,963	2,002,667	2,002,667
Cash and cash equivalents, end of year	2,244,641	2,422,868	2,076,963

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (expressed in thousands of United States dollars)

Summary of significant accounting policies

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2006, included in the Group's Annual Report 2006. For a description of the Group's significant accounting policies, see Note 2 of the aforementioned consolidated financial statements.

Certain financial information, which is normally included in annual financial statements prepared in accordance with IFRS, but not required for interim reporting purposes, has 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 which affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Transactions affecting year on year comparisons

Change in post retirement medical benefits

Effective January 1, 2007 certain changes to the Group's health benefit scheme were made which resulted in the recognition of a curtailment gain of \$17.1 million.

Change in accounting estimates

Effective November 1, 2007, the Group changed its estimate on the useful life of software which resulted in an increase in the depreciation charge for the year to date in the amount of \$3.2 million.

Change in accounting policy

Effective March 1, 2007, the Group changed the date on which all purchases and sales of financial assets at fair

value through profit and loss are to be recognised from trade date to settlement date. The 2006 previously published year to date April 30, 2006 comparatives and audited October 31, 2006 numbers have been restated to reflect this adjustment. The impact on the year to date April 30, 2006 comparatives was to reduce other liabilities by \$52.6 million and other assets by \$236.2 million and to increase trading securities by \$183.6 million, while the impact on the audited October 31, 2006 numbers was to reduce other liabilities by \$0.9 billion, other assets by \$0.4 billion and trading securities by \$0.5 billion.

Loan fee deferrals

In the prior year, in accordance with IAS 18 Revenue, loan fee income, which would have been considered to be an integral 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 for year to date April 30, 2006 have also been restated resulting in a decrease to net income and by extension retained earnings by \$1.7 million and an increase to other liabilities by \$1.7 million.

Intangible assets

The customer relationship in relation to the acquisition of the Curaçao Business resulted in the recognition of an intangible asset in the amount of \$17 million which is being amortised through the statement of income based on a useful life of six years. No such amortisation was recorded in the prior year although the acquisition was completed effective February 1, 2006 as the valuation of the intangibles was not finalised. Goodwill was adjusted upwards by \$1 million effective February 1, 2007 (12 months after the initial acquisition date).

Related party transactions

The agreement with Barclays Bank PLC whereby the Group 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 April 30, 2006 would therefore include income for the final two months in the amount of \$1.7 million within operating income.

Issuance of debt instruments

The Group has issued additional debt in this quarter in the amount of \$54 million out of its Jamaican and Trinidad subsidiaries which compares to debt issued in the first quarter in the amount of \$20 million by the Bahamas subsidiary.