



FirstCaribbean International Bank (Bahamas) Limited
Chairperson's Review Of the Results
For the three months ended January 31, 2021

Net income for the three months ended January 31, 2021 was \$16.1 million, a decline of \$7.9 million or 33% when compared with net income of \$24.0 million for the corresponding period last year. The impact from the COVID-19 pandemic continues to affect the interest rate environment as well as levels of business and economic activity in the region which has contributed to overall lower revenue in the first quarter of 2021.

At the end of the first quarter, the Bank's Tier 1 and Total Capital ratios were 26.4% and 26.5% which remain in excess of applicable regulatory requirements. Although we have seen some positive signs in the first quarter, the current environment and the path to recovery remain uncertain. Similar to last quarter, the Directors have decided not to declare a dividend and will continue to monitor the effect of COVID-19 on economic growth in the region.

On February 3, 2021, it was announced that the transaction which would have seen GNB Financial Group Limited acquire 66 2/3% of the shares in FirstCaribbean International Bank, our parent company (FirstCaribbean), would not take place as regulatory approval had not been received.

While this transaction would have supported long-term growth prospects, it is only one way of supporting growth going forward. CIBC has held a majority ownership stake in FirstCaribbean for a number of years and there exists an excellent working relationship with a shared focus on meeting the needs of our clients. We remain focused on delivering on our strategy and continuing to support our clients during these times.

I wish to thank all our clients, employees, shareholders and directors for their continued support and commitment to our Bank.

Colette Delaney
Chairperson

*Adjusting equity for the impact of dividends previously declared but not paid, for which regulatory approval remains pending, both the Tier 1 and Total Capital ratios would be 22.3%.

FORWARD-LOOKING STATEMENT DISCLOSURE

This report may contain forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, asset quality trends and profitability. Forward-looking statements provide management's current expectations or forecasts of future events and, by their nature, are subject to assumptions, risks and uncertainties. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, actual results could differ materially from those contained in or implied by such forward-looking statements due to a variety of factors including: (1) changes in interest rates; (2) changes in trade, monetary or fiscal policy; (3) changes in general economic conditions, or in the condition of the local economies in which the Bank has significant operations or assets, which could, among other things, materially impact credit quality trends and the Bank's ability to generate loans; (4) increased competitive pressure among financial services companies; (5) the inability to successfully execute strategic initiatives designed to grow revenues and/or manage expenses; (6) consummation of significant business combinations or divestitures; (7) operational or risk management failures due to technological or other factors; (8) heightened regulatory practices, requirements or expectations; (9) new legal obligations or restrictions or unfavourable resolution of litigation; (10) adverse capital markets conditions; (11) disruption in the economy and general business climate as a result of terrorist activities or military actions; and (12) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. The Bank does not assume any obligation to update these forward-looking statements. For further information regarding FirstCaribbean International Bank (Bahamas) Limited, please read FirstCaribbean International Bank (Bahamas) Limited's financial and other reports that are available on the company's website at www.cibcfcb.com.

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited Jan 31, 2021	Unaudited Jan 31, 2020	Audited Oct 31, 2020
Assets			
Cash, balances with The Central Bank and due from banks	741,797	745,829	606,282
Other assets	57,949	47,194	53,585
Securities	845,960	1,012,580	917,925
Loans and advances to customers	2,047,333	2,044,157	2,031,739
Property and equipment	42,785	45,652	45,400
Goodwill	-	72,747	-
Total assets	3,735,824	3,968,159	3,654,931
Liabilities			
Customer deposits	3,040,669	3,139,080	2,953,593
Other liabilities	61,043	130,805	81,523
Total liabilities	3,101,712	3,269,885	3,035,116
Equity			
Issued capital	477,230	477,230	477,230
Reserves	46,330	28,284	48,159
Retained earnings	110,552	192,760	94,426
Total equity	634,112	698,274	619,815
Total liabilities and equity	3,735,824	3,968,159	3,654,931

Director

Director

Condensed Consolidated Statement of Income/(Loss)
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2021	January 31, 2020	October 31, 2020
Total interest income	36,269	41,419	153,804
Total interest expense	1,367	3,133	9,665
Net interest income	34,902	38,286	144,139
Operating income	10,988	15,331	46,874
Total revenue	45,890	53,617	191,013
Operating expenses	25,159	28,158	111,782
Credit loss expense on financial assets	4,605	1,489	70,027
Impairment of goodwill	-	-	72,747
	29,764	29,647	254,556
Net income/(loss) for the period	16,126	23,970	(63,543)

Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204
Net earnings/(loss) per share (in cents)	13.4	19.9	(52.9)

Condensed Consolidated Statement of Comprehensive Income/(Loss)
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2021	January 31, 2020	October 31, 2020
Net income/(loss) for the period	16,126	23,970	(63,543)
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods:			
Net (losses)/gains on debt instruments at fair value through OCI	(1,829)	1,219	6,494
	(1,829)	1,219	6,494
Other comprehensive income/(loss) not to be reclassified to net income in subsequent periods:			
Re-measurement gains on retirement benefit plans	-	-	14,600
	-	-	14,600
Other comprehensive (loss)/income for the period	(1,829)	1,219	21,094
Comprehensive income/(loss) for the period	14,297	25,189	(42,449)

Condensed Consolidated Statement of Changes in Equity
B\$'000

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2019	477,230	19,810	226,532	723,572
Net income for the period	-	-	23,970	23,970
Other comprehensive income for the period	-	1,219	-	1,219
Total comprehensive income	-	1,219	23,970	25,189
Dividends	-	-	(50,487)	(50,487)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	7,255	(7,255)	-
Balance at January 31, 2020	477,230	28,284	192,760	698,274
Balance at October 31, 2020	477,230	48,159	94,426	619,815
Net income for the period	-	-	16,126	16,126
Other comprehensive loss for the period	-	(1,829)	-	(1,829)
Total comprehensive income	-	(1,829)	16,126	14,297
Balance at January 31, 2021	477,230	46,330	110,552	634,112

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2021	January 31, 2020	October 31, 2020
Net cash from operating activities	63,854	251,302	30,503
Net cash from/(used in) investing activities	74,352	(84,721)	45,572
Net cash used in financing activities	(416)	(18,896)	(71,302)
Net increase in cash and cash equivalents	137,790	147,685	4,773
Cash and cash equivalents, beginning of the period	517,778	513,005	513,005
Cash and cash equivalents, end of the period	655,568	660,690	517,778

Notes to the Condensed Consolidated Financial Statements
January 31, 2021

1. Basis of preparation and summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank (Bahamas) Limited (the Bank) should be read in conjunction with the International Financial Reporting Standards (IFRS) consolidated financial statements and notes thereto for the year ended October 31, 2020, included in the Bank's Annual Report 2020. 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, has been condensed or omitted. Reclassifications may be made to the prior period's financial statements to conform to the current period's presentation. These unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the unaudited 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 unaudited 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.

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

- Sentry Insurance Brokers Ltd.
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCL) Limited

Dividends

The Directors previously declared dividends totaling \$0.78 (seventy-eight cents) per share, which are not reflected in these unaudited condensed consolidated financial statements as they are subject to regulatory approvals and are pending the Central Bank's approval.

Condensed Consolidated Segment Information
B\$'000

	Unaudited January 31, 2021				
	RBB	CIB	WM	Admin	Total
Three Months Ended					
External revenue	16,603	12,688	130	5,481	34,902
Internal revenue	(2,094)	3,225	1,457	(2,588)	-
Net interest income	14,509	15,913	1,587	2,893	34,902
Operating income	5,961	4,209	1,077	(259)	10,988
Total revenue	20,470	20,122	2,664	2,634	45,890
Depreciation	302	3	14	1,606	1,925
Operating expenses	5,802	1,248	497	15,687	23,234
Indirect expenses	7,677	6,215	2,967	(16,859)	-
Credit loss expense on financial assets	5,455	(433)	(37)	(380)	4,605
Net income/(loss) for the period	1,234	13,089	(777)	2,580	16,126
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,058,571	975,113	26,055	1,676,085	3,735,824
Segment liabilities	1,341,121	1,175,620	613,302	(28,331)	3,101,712

	Unaudited January 31, 2020				
	RBB	CIB	WM	Admin	Total
Three Months Ended					
External revenue	17,915	12,706	(168)	7,833	38,286
Internal revenue	(1,951)	3,865	3,184	(5,098)	-
Net interest income	15,964	16,571	3,016	2,735	38,286
Operating income	6,795	7,197	1,195	144	15,331
Total revenue	22,759	23,768	4,211	2,879	53,617
Depreciation	520	5	17	1,419	1,961
Operating expenses	6,912	1,234	533	17,518	26,197
Indirect expenses	7,341	7,838	4,170	(19,349)	-
Credit loss expense on financial assets	563	1,367	25	(466)	1,489
Net income/(loss) for the period	7,423	13,324	(534)	3,757	23,970
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,095,767	939,483	21,182	1,911,727	3,968,159
Segment liabilities	1,278,832	1,355,075	556,520	79,458	3,269,885

	Audited October 31, 2020				
	RBB	CIB	WM	Admin	Total
Year Ended					
External revenue	69,787	47,679	(190)	26,863	144,139
Internal revenue	(6,188)	18,265	10,391	(22,468)	-
Net interest income	63,599	65,944	10,201	4,395	144,139
Operating income	24,307	19,520	4,034	(987)	46,874
Total revenue	87,906	85,464	14,235	3,408	191,013
Depreciation	1,779	17	60	6,019	7,875
Operating expenses	24,941	5,339	2,409	71,218	103,907
Indirect expenses	29,464	29,243	15,734	(74,441)	-
Credit loss expense on financial assets	50,381	15,667	712	3,267	70,027
Impairment of goodwill	-	-	-	72,747	72,747
Net (loss)/income for the year	(18,659)	35,198	(4,680)	(75,402)	(63,543)
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,053,118	964,290	24,649	1,612,874	3,654,931
Segment liabilities	1,295,545	1,191,684	568,776	(20,889)	3,035,116

Notes:

The Bank's operations are organised into four segments: Retail, Business and International Banking ("RBB"), Corporate and Investment Banking ("CIB") and Wealth Management ("WM"), which are supported by the functional units within the Administration ("Admin") segment (which includes Treasury, Finance, Human Resources, Technology & Operations, Risk and Other). RBB, CIB AND WM are charged or credited by Treasury with a market-based cost of funds on assets, liabilities and capital, respectively. The offset of these charges or credits are reported in the Treasury function within the Admin segment.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The transfer pricing methodologies are reviewed on an ongoing basis to ensure they reflect changing market environments and industry practices. Transactions between the business segments are normal commercial terms and conditions.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position. Securities and cash placements are normally held within the Treasury unit within the Admin segment.