

FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review of the Results
For the nine months ended July 31, 2021

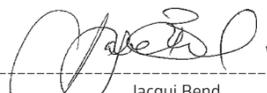
The Bank reported net income of \$57.7 million for the nine months ended July 31, 2021, \$47.0 million higher than for the same period last year. The primary driver of the year over year increase is the lower provisions for credit losses. Despite this year over year improvement, our results to date continue to be impacted by narrower margins as a result of the persistent low interest rate environment.

The pace of the economic recovery in the territories continues to be negatively impacted by the COVID-19 pandemic and its more contagious variants. While disruption in international travel continues to impact the region, the tourism industry has shown some signs of recovery as restrictions imposed by governments to limit the impact of the infection have started to ease. The roll-out of vaccines continues to be a targeted health measure for governments, however vaccination rates have generally been slow. Timely completion of vaccination programs will play a key role in controlling the virus and promoting a sustainable economic recovery.

Even though the virus remains a threat and the pace of economic recovery somewhat uncertain, our Bank remains well-positioned to deliver on its strategic objectives, focusing on delivering a top class client experience, digital transformation and improving operational efficiency.

The Bank's Tier 1 and Total Capital ratios remain strong at 25.3% and 25.4%, respectively, and are in excess of the regulatory requirements. We are pleased to announce that the Board of Directors, at its meeting on September 14, 2021, approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

My sincere thanks to our employees, clients, directors and shareholders for their continued commitment and support.



Jacqui Bend
 Managing Director

¹Adjusting equity for the impact of dividends declared but not paid, for which regulatory approval remains pending, the Tier 1 and Total Capital ratios would both be 22.7%.

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 we have significant operations or assets, which could, among other things, materially impact credit quality trends and our 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. We do 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 Bank's website at www.cibcfib.com

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited Jul 31, 2021	Unaudited Jul 31, 2020	Audited Oct 31, 2020
Assets			
Cash, balances with The Central Bank and due from banks	960,888	743,301	606,282
Other assets	56,494	50,501	53,585
Securities	805,371	926,753	917,925
Loans and advances to customers	2,061,138	2,024,665	2,031,739
Property and equipment	40,813	45,268	45,400
Goodwill	-	72,747	-
Total assets	3,924,704	3,863,235	3,654,931
Liabilities			
Customer deposits	3,233,102	3,112,940	2,953,593
Other liabilities	70,427	70,882	81,523
Total liabilities	3,303,529	3,183,822	3,035,116
Equity			
Issued capital	477,230	477,230	477,230
Reserves	46,147	33,492	48,159
Retained earnings	97,798	168,691	94,426
Total equity	621,175	679,413	619,815
Total liabilities and equity	3,924,704	3,863,235	3,654,931



Director



Director

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

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2021	Jul 31, 2020	Jul 31, 2021	Jul 31, 2020	Oct 31, 2020
Total interest income	35,484	36,676	107,725	117,056	153,804
Total interest expense	1,296	2,029	4,022	7,889	9,665
Net interest income	34,188	34,647	103,703	109,167	144,139
Operating income	12,204	10,701	34,912	36,127	46,874
Total revenue	46,392	45,348	138,615	145,294	191,013
Operating expenses	28,564	26,713	81,124	84,472	111,782
Credit loss (reversal)/expense on financial assets	(1,782)	10,861	(272)	50,099	70,027
Impairment of goodwill	-	-	-	-	72,747
	26,782	37,574	80,852	134,571	254,556
Net income/(loss) for the period	19,610	7,774	57,763	10,723	(63,543)
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
Net earnings/(loss) per share (in cents)	16.3	6.5	48.0	8.9	(52.9)

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

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2021	Jul 31, 2020	Jul 31, 2021	Jul 31, 2020	Oct 31, 2020
Net income/(loss) for the period	19,610	7,774	57,763	10,723	(63,543)
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods					
Net gains/(losses) on debt securities at fair value through OCI	943	8,266	(2,306)	6,427	6,494
	943	8,266	(2,306)	6,427	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 income/(loss) for the period	943	8,266	(2,306)	6,427	21,094
Comprehensive income/(loss) for the period	20,553	16,040	55,457	17,150	(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
Comprehensive income for the period	-	6,427	10,723	17,150
Dividends	-	-	(61,309)	(61,309)
Transfer to Statutory Reserve Fund - TCI	-	7,255	(7,255)	-
Balance at July 31, 2020	477,230	33,492	168,691	679,413
Balance at October 31, 2020	477,230	48,159	94,426	619,815
Comprehensive income for the period	-	(2,306)	57,763	55,457
Dividends	-	-	(54,097)	(54,097)
Transfer to Statutory Reserve Fund - TCI	-	294	(294)	-
Balance at July 31, 2021	477,230	46,147	97,798	621,175

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2021	Jul 31, 2020	Oct 31, 2020
Net cash from operating activities	301,194	191,280	30,503
Net cash from investing activities	120,010	16,932	45,572
Net cash used in financing activities	(65,332)	(68,178)	(71,302)
Net increase in cash and cash equivalents	355,872	140,034	4,773
Cash and cash equivalents, beginning of the period	517,778	513,005	513,005
Cash and cash equivalents, end of the period	873,650	653,039	517,778

Notes to the Condensed Consolidated Financial Statements
 July 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 (TCI) Limited

Dividends

The Directors previously declared dividends totaling \$0.42 (forty-two 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 July 31, 2021				
	RBB	CIB	WM	Admin	Total
Nine Months Ended					
External revenue	49,976	37,930	511	15,286	103,703
Internal revenue	(4,791)	9,540	4,208	(8,957)	-
Net interest income	45,185	47,470	4,719	6,329	103,703
Operating income	18,496	14,099	3,072	(755)	34,912
Total revenue	63,681	61,569	7,791	5,574	138,615
Depreciation	1,048	9	43	4,793	5,893
Operating expenses	17,845	4,370	1,633	51,383	75,231
Indirect expenses	23,805	20,808	9,758	(54,371)	-
Credit loss reversal on financial assets	5,940	(6,956)	(236)	980	(272)
Net income/(loss) for the period	15,043	43,338	(3,407)	2,789	57,763

Balance as at

Total assets and liabilities by segment are as follows:

Segment assets	1,063,058	985,712	27,379	1,848,555	3,924,704
Segment liabilities	1,429,063	1,243,646	679,997	(49,177)	3,303,529

**Unaudited
July 31, 2020**

	Unaudited July 31, 2020				
	RBB	CIB	WM	Admin	Total
Nine Months Ended					
External revenue	52,578	35,410	(247)	21,426	109,167
Internal revenue	(4,558)	13,264	8,391	(17,097)	-
Net interest income	48,020	48,674	8,144	4,329	109,167
Operating income	17,974	15,872	3,145	(864)	46,874
Total revenue	65,994	64,546	11,289	3,465	145,294
Depreciation	1,490	13	45	4,467	6,015
Operating expenses	19,304	3,810	1,604	53,739	78,457
Indirect expenses	21,880	22,328	11,863	(56,071)	-
Credit loss expense on financial assets	29,476	16,715	442	3,466	50,099
Net (loss)/income for the period	(6,156)	21,680	(2,665)	(2,136)	10,723

Balance as at

Total assets and liabilities by segment are as follows:

Segment assets	1,070,995	942,632	22,353	1,827,255	3,863,235
Segment liabilities	1,297,878	1,307,406	547,604	30,934	3,183,822

**Audited
October 31, 2020**

	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. We review our transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices. Transactions between the business segments are on 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. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year.