

FirstCaribbean International Bank (Bahamas) Limited Managing Director's Review of the Results For the three months ended January 31, 2022

For the three months ended January 31, 2022, the Bank recorded net income of \$12.2 million, down \$3.9 million or 24% from net income of \$16.1 million for the same period last year.

Local economic activity has started to improve, although the COVID-19 pandemic continues to affect the pace of the economic recovery.

Revenue continues to reflect the impact of a low interest rate environment. However, increased client transactional activity has contributed to the 6% revenue growth over the same quarter last year. Operating expenses were up \$1.8 million or 7% from the same quarter last year. We continue to manage the inflationary pressures on our cost base closely. Provision for credit losses increased by \$4.9 million over the same three-month period last year, reflecting change from relevant updated macro-economic forecasts, which is a key component in determining credit losses for the Bank.

At the end of the first quarter, the Bank's Tier 1 and Total Capital ratios were both 24.8%¹ and are in excess of the applicable regulatory requirements. We are again pleased to announce that the Board of Directors, at its meeting on March 22, 2022, approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

I wish to thank our clients, employees, shareholders and directors for their loyalty and continuing support to our Bank.



Jacqui Bend
Managing Director

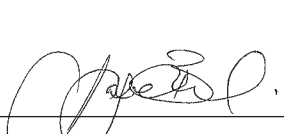
¹Adjusting equity for the impact of dividends declared but not paid prior to January 31, 2022, and for which regulatory approval remained pending, the Tier 1 and Total Capital ratios would both be 24.3%.

FORWARD-LOOKING STATEMENT DISCLOSURE

This report may contain forward-looking statements, including statements about our Bank's 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 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 Limited, please read FirstCaribbean International Bank 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 Jan 31, 2022	Unaudited Jan 31, 2021	Audited Oct 31, 2021
Assets			
Cash, balances with The Central Bank and due from banks	956,793	741,797	814,522
Other assets	83,887	57,949	81,962
Securities	966,571	845,960	918,420
Loans and advances to customers	2,024,523	2,047,333	2,124,785
Property and equipment	42,056	42,785	40,493
Total assets	4,073,830	3,735,824	3,980,182
Liabilities			
Customer deposits	3,396,178	3,040,669	3,281,731
Other liabilities	50,355	61,043	84,068
Total liabilities	3,446,533	3,101,712	3,365,799
Equity			
Issued capital	477,230	477,230	477,230
Reserves	81,662	46,330	76,246
Retained earnings	68,405	110,552	60,907
Total equity	627,297	634,112	614,383
Total liabilities and equity	4,073,830	3,735,824	3,980,182



Director



Director

Condensed Consolidated Statement of Income B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2022	Jan 31, 2021	Oct 31, 2021
Total interest income	34,715	36,269	142,288
Total interest expense	1,390	1,367	5,293
Net interest income	33,325	34,902	136,995
Operating income	15,335	10,988	47,128
Total revenue	48,660	45,890	184,123
Operating expenses	27,008	25,159	107,466
Credit loss expense/(reversal) on financial assets	9,498	4,605	(5,526)
	36,506	29,764	101,940
Net income for the period	12,154	16,126	82,183
Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204
Net earnings per share (in cents)	10.1	13.4	68.4

Condensed Consolidated Statement of Comprehensive Income B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2022	Jan 31, 2021	Oct 31, 2021
Net income for the period	12,154	16,126	82,183
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods			
Net gains/(losses) on debt securities at fair value through OCI	760	(1,829)	(3,310)
	760	(1,829)	(3,310)
Other comprehensive income not to be reclassified to net income in subsequent periods			
Re-measurement gains on retirement benefit plans	-	-	31,103
	-	-	31,103
Other comprehensive income/(loss) for the period	760	(1,829)	27,793
Comprehensive income for the period	12,914	14,297	109,976

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

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2020	477,230	48,159	94,426	619,815
Comprehensive income for the period	-	(1,829)	16,126	14,297
Balance at January 31, 2021	477,230	46,330	110,552	634,112
Balance at October 31, 2021	477,230	76,246	60,907	614,383
Comprehensive income for the period	-	760	12,154	12,914
Transfer to Statutory Reserve Fund - TCI	-	4,656	(4,656)	-
Balance at January 31, 2022	477,230	81,662	68,405	627,297

Condensed Consolidated Statement of Cash Flows B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2022	Jan 31, 2021	Oct 31, 2021
Net cash from operating activities	222,890	63,854	291,499
Net cash (used in)/from investing activities	(48,600)	74,352	7,947
Net cash used in financing activities	(30,662)	(416)	(89,657)
Net increase in cash and cash equivalents	143,628	137,790	209,789
Cash and cash equivalents, beginning of the year	727,567	517,778	517,778
Cash and cash equivalents, end of the year	871,195	655,568	727,567

Notes to the Condensed Consolidated Financial Statements January 31, 2022

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, 2021, included in the Bank's Annual Report 2021. 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

As of January 31, 2022 dividends of nine cents per share (\$0.09) were declared and are pending regulatory approval.

Condensed Consolidated Segment Information B\$'000

	Unaudited Three Months Ended January 31, 2022				
	RBB	CIB	WM	Admin	Total
External revenue	16,492	13,096	193	3,544	33,325
Internal revenue	617	2,479	1,073	(4,169)	-
Net interest income	17,109	15,575	1,266	(625)	33,325
Operating income	7,365	7,079	1,089	(198)	15,335
	24,474	22,654	2,355	(823)	48,660
Depreciation	393	3	14	1,521	1,931
Operating expenses	5,613	1,731	584	17,149	25,077
Indirect expenses	7,791	7,277	2,968	(18,036)	-
Credit loss expense/(reversal) on financial assets	5,090	1,648	93	2,667	9,498
Net income/(loss) for the period	5,587	11,995	(1,304)	(4,124)	12,154

Total assets and liabilities by segment are as follows:

Segment assets	1,089,800	939,322	27,890	2,016,818	4,073,830
Segment liabilities	1,432,746	1,307,743	719,802	(13,758)	3,446,533

Condensed Consolidated Segment Information B\$'000

	Unaudited Three Months Ended January 31, 2021				
	RBB	CIB	WM	Admin	Total
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
	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/(reversal) 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

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

Condensed Consolidated Segment Information B\$'000

	Audited Year Ended October 31, 2021				
	RBB	CIB	WM	Admin	Total
External revenue	66,494	50,677	690	19,134	136,995
Internal revenue	(4,328)	11,933	5,222	(12,827)	-
Net interest income	62,166	62,610	5,912	6,307	136,995
Operating income	25,379	19,061	4,169	(1,481)	47,128
	87,545	81,671	10,081	4,826	184,123
Depreciation	1,432	12	57	6,337	7,838
Operating expenses	22,899	6,106	2,439	68,184	99,628
Indirect expenses	31,862	27,819	12,875	(72,556)	-
Credit loss (reversal)/expense on financial assets	(1,017)	(5,036)	(179)	706	(5,526)
Net (loss)/income for the year	32,369	52,770	(5,111)	2,155	82,183

Total assets and liabilities by segment are as follows:

Segment assets	1,094,958	1,035,442	27,046	1,822,736	3,980,182
Segment liabilities	1,411,683	1,265,193	656,140	32,783	3,365,799

Notes:

The Bank's operations are organised into four segments: Retail and Business 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, HR, Technology & Operations, Risk and Other). The Admin segment results include credits or capital charges for Treasury market-based cost of funds on assets, liabilities and capital; the offset of the same for RBB, CIB, and WM earnings on unattributed capital remains in Admin. Capital is attributed to RBB, CIB and WM (Strategic Business Units or "SBU") in a manner that is intended to measure and align economic value with the underlying benefits and risks associated with SBU activities. Management reviews the transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices.