



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review Of the Results
For the six months ended April 30, 2022

The Bank reported net income of \$17.1 million for the second quarter, \$4.9 million or 22% lower than the second quarter's net income of \$22.0 million a year ago. For the six months ended April 30, 2022, the Bank recorded net income of \$29.2 million, down \$8.9 million from the same period last year of \$38.2 million. The results were mainly driven by increased provisions for credit losses, which reflects updated parameters as a result of model changes and assumptions. The Bank continued to experience solid revenue growth as transaction based non-interest income was up 17% over the prior year.

Economic activity continued to improve as a result of additional relaxation of COVID-19 restrictions, which provided further relief to our tourism sector and contributed to increased consumer demand. The Bank will continue to monitor the economic outlook in light of supply chain and inflationary pressures, including the local impact emanating from the war between Russia and Ukraine.

At the end of the second quarter, the Bank's Tier 1 and Total Capital ratios were 25.0%¹ and 24.9%, respectively, and remain in excess of the applicable regulatory requirements. The Board of Directors, at its meeting on June 14, 2022, approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

I would like to acknowledge and thank our clients, employees, shareholders, and directors for their contributions to the success of our Bank.



Jacqui Bend
Managing Director

¹Adjusting equity for the impact of dividends declared but not paid prior to April 30, 2022, and for which regulatory approval remained pending, the Tier 1 and Total Capital ratios would be 24.1% and 24.0%, respectively.

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 unfavorable 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 Apr 30, 2022	Unaudited Apr 30, 2021	Audited Oct 31, 2021
Assets			
Cash, balances with The Central Bank and due from banks	1,077,096	886,651	814,522
Securities	1,186,698	831,010	918,420
Loans and advances to customers	1,987,771	2,041,950	2,124,785
Property and equipment	41,918	43,083	40,493
Other assets	96,541	58,495	81,962
Total assets	4,390,024	3,861,189	3,980,182
Liabilities			
Customer deposits	3,703,974	3,155,980	3,281,731
Other liabilities	54,520	93,771	84,068
Total liabilities	3,758,494	3,249,751	3,365,799
Equity			
Issued capital	477,230	477,230	477,230
Reserves	79,634	45,204	76,246
Retained earnings	74,666	89,004	60,907
Total equity	631,530	611,438	614,383
Total liabilities and equity	4,390,024	3,861,189	3,980,182



Director



Director

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2022	Apr 30, 2021	Apr 30, 2022	Apr 30, 2021	Oct 31, 2021
Total interest income	32,717	35,971	67,431	72,240	142,288
Total interest expense	1,341	1,359	2,731	2,726	5,293
Net interest income	31,376	34,612	64,700	69,514	136,995
Operating income	13,720	11,720	29,055	22,708	47,128
Total revenue	45,096	46,332	93,755	92,222	184,123
Operating expenses	26,745	27,404	53,753	52,561	107,466
Credit loss expense/(reversal) on financial assets	1,271	(3,094)	10,768	1,511	(5,526)
	28,016	24,310	64,521	54,072	101,940
Net income for the period	17,080	22,022	29,234	38,150	82,183
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 per share (in cents)	14.2	18.3	24.3	31.7	68.4

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2022	Apr 30, 2021	Apr 30, 2022	Apr 30, 2021	Oct 31, 2021
Net income for the period	17,080	22,022	29,234	38,150	82,183
Other comprehensive loss to be reclassified to net income in subsequent periods					
Net losses on debt securities at fair value through OCI	(2,028)	(1,419)	(1,268)	(3,249)	(3,310)
	(2,028)	(1,419)	(1,268)	(3,249)	(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 (loss)/income for the period	(2,028)	(1,419)	(1,268)	(3,249)	27,793
Comprehensive income for the period	15,052	20,603	27,966	34,901	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	-	(3,249)	38,150	34,901
Dividends	-	-	(43,278)	(43,278)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	294	(294)	-
Balance at April 30, 2021	477,230	45,204	89,004	611,438
Balance at October 31, 2021	477,230	76,246	60,907	614,383
Comprehensive income for the period	-	(1,268)	29,234	27,966
Dividends	-	-	(10,819)	(10,819)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	4,656	(4,656)	-
Balance at April 30, 2022	477,230	79,634	74,666	631,530

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2022	Apr 30, 2021	Oct 31, 2021
Net cash from operating activities	595,849	238,155	291,499
Net cash (used in)/from investing activities	(269,584)	92,146	7,947
Net cash used in financing activities	(39,713)	(22,055)	(89,657)
Net increase in cash and cash equivalents	286,552	308,246	209,789
Cash and cash equivalents, beginning of the period	727,567	517,778	517,778
Cash and cash equivalents, end of the period	1,014,119	826,024	727,567

Notes to the Condensed Consolidated Financial Statements
April 30, 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 (TCL) Limited

Dividends

The Directors previously approved a dividend of nine cents (\$0.09) per share, which is not reflected in these unaudited condensed consolidated financial statements as it was pending regulatory approvals at April 30, 2022.

Condensed Consolidated Segment Information
B\$'000

	Unaudited April 30, 2022				
	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	32,872	24,342	386	7,100	64,700
Internal revenue	1,638	5,235	2,486	(9,359)	-
Net interest income	34,510	29,577	2,872	(2,259)	64,700
Operating income	14,567	12,655	2,427	(594)	29,055
	49,077	42,232	5,299	(2,853)	93,755
Depreciation	788	5	29	3,029	3,851
Operating expenses	11,477	3,360	1,193	33,872	49,902
Indirect expenses	15,328	14,134	5,689	(35,151)	-
Credit loss expense/(reversal) on financial assets	13,059	(4,655)	253	2,111	10,768
Net income/(loss) for the period	8,425	29,388	(1,865)	(6,714)	29,234

Balance as at

Total assets and liabilities by segment are as follows:	RBB	CIB	WM	Admin	Total
Segment assets	1,078,728	913,682	27,900	2,369,714	4,390,024
Segment liabilities	1,506,526	1,590,788	691,957	(30,777)	3,758,494

Condensed Consolidated Segment Information
B\$'000

	Unaudited April 30, 2021				
	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	33,325	25,323	361	10,505	69,514
Internal revenue	(3,809)	6,315	2,853	(5,359)	-
Net interest income	29,516	31,638	3,214	5,146	69,514
Operating income	12,131	8,927	2,082	(432)	22,708
	41,647	40,565	5,296	4,714	92,222
Depreciation	683	6	28	3,193	3,910
Operating expenses	11,811	2,778	1,056	33,006	48,651
Indirect expenses	16,046	13,764	6,701	(36,511)	-
Credit loss expense/(reversal) on financial assets	2,747	59	(205)	(1,090)	1,511
Net income/(loss) for the period	10,360	23,958	(2,284)	6,116	38,150

Balance as at

Total assets and liabilities by segment are as follows:	RBB	CIB	WM	Admin	Total
Segment assets	1,064,011	965,898	26,644	1,804,636	3,861,189
Segment liabilities	1,389,526	1,231,679	660,891	(32,345)	3,249,751

Condensed Consolidated Segment Information
B\$'000

	Audited October 31, 2021				
	RBB	CIB	WM	Admin	Total
Year Ended					
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 income/(loss) for the year	32,369	52,770	(5,111)	2,155	82,183

Balance as at

Total assets and liabilities by segment are as follows:	RBB	CIB	WM	Admin	Total
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.