



**FirstCaribbean International Bank (Bahamas) Limited**  
**Managing Director's Review of the Results**  
**For the year ended October 31, 2022**

The Bank reported net income of \$22.1 million for the fourth quarter, \$2.3 million or 10% lower than the fourth quarter's net income of \$24.4 million a year ago.

Throughout the year, we continued to build strong momentum through the execution of our client focused strategy. We have led in digital client innovation, with the launch of expanded digital channels and leading services, in addition to making other strategic investments to support future growth. We remain committed to enhancing the client experience and developing our staff, who remain a key asset to our success.

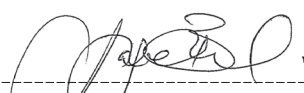
Economic and market conditions have slowly recovered during the year, led by the tourism sector. The recovery has occurred against the backdrop of higher US interest rates aimed at reducing inflation in key trading markets, the ongoing war in Ukraine and other geopolitical challenges. While the local economic recovery is expected to advance in 2023 as key industries continue to track towards pre-pandemic levels, there is some downside risk given the current global economic environment.

For the year ended October 31, 2022, the Bank reported net income of \$70.2 million compared to \$82.2 million in the prior year. This year's financial results were largely impacted by increased provisions for credit losses, reflective of changes in model assumptions and credit migration. Additionally, non-interest expenses were up over the prior year as we experienced inflationary pressures and higher expenses related to our strategic business and infrastructure investments. The Bank, however, experienced strong revenue growth from higher US interest rates and increased activity-based fees.

The Board of Directors, at its meeting on December 15, 2022, approved a final dividend of nine cents (\$0.09) per share subject to regulatory approval, bringing the total dividend for the year to thirty-six cents (\$0.36) per share. The Bank's Tier 1 and Total Capital ratios remain strong at 25.6%, well in excess of applicable regulatory requirements. We remain committed to maintaining a strong capital position.

I wish to convey sincere thanks to the recently retired CEO of FirstCaribbean International Bank (our Parent) and Chairperson of our Bank, Ms. Colette Delaney, for her impressive leadership during her 7 years of service in the Caribbean. As CEO, Colette successfully led the Bank through the impact of the COVID pandemic, uncertain economic conditions and the devastation caused by hurricanes passing through the region. She continuously urged staff to remain client centric, be innovative and serve as strong stewards of the Bank's resources. At the same time, Colette also developed a strong management team to lead FirstCaribbean into the future with focus and purpose. On behalf of management and staff, I wish Colette a very happy retirement.

I also wish to express my sincerest gratitude to our clients, employees, shareholders and directors for their continued support and loyalty to the Bank.



-----  
Jacqui Bend  
Managing Director

**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 October 31, 2022	Audited October 31, 2021
<b>Assets</b>		
Cash, balances with The Central Bank and due from banks	962,014	814,522
Securities	1,317,826	918,420
Loans and advances to customers	2,035,563	2,124,785
Property and equipment	41,681	40,493
Other assets	57,116	81,962
<b>Total assets</b>	<b>4,414,200</b>	<b>3,980,182</b>
<b>Liabilities</b>		
Customer deposits	3,748,169	3,281,731
Other liabilities	55,199	84,068
<b>Total liabilities</b>	<b>3,803,368</b>	<b>3,365,799</b>
<b>Equity</b>		
Issued capital	477,230	477,230
Reserves	50,477	76,246
Retained earnings	83,125	60,907
<b>Total equity</b>	<b>610,832</b>	<b>614,383</b>
<b>Total liabilities and equity</b>	<b>4,414,200</b>	<b>3,980,182</b>

Director 

Director 

**Condensed Consolidated Statement of Income**  
**B\$'000**

	Unaudited Three Months Ended		Unaudited Year Ended	Audited Year Ended
	Oct 31, 2022	Oct 31, 2021	Oct 31, 2022	Oct 31, 2021
Interest and similar income	43,370	34,550	147,319	142,288
Interest and similar expense	2,579	1,257	7,060	5,293
<b>Net interest income</b>	<b>40,791</b>	<b>33,293</b>	<b>140,259</b>	<b>136,995</b>
Operating income	14,445	12,216	58,591	47,128
	55,236	45,509	198,850	184,123
Operating expenses	30,440	26,341	112,674	107,466
Credit loss expense/(release)	2,735	(5,254)	16,026	(5,526)
on financial assets	33,175	21,087	128,700	101,940
<b>Net income for the period</b>	<b>22,061</b>	<b>24,422</b>	<b>70,150</b>	<b>82,183</b>
Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204	120,216,204
Net earnings per share (in cents)	18.4	20.3	58.4	68.4

**Condensed Consolidated Statement of Comprehensive Income**  
**B\$'000**

	Unaudited Three Months Ended		Unaudited Year Ended	Audited Year Ended
	Oct 31, 2022	Oct 31, 2021	Oct 31, 2022	Oct 31, 2021
Net income for the period	22,061	24,422	70,150	82,183
<b>Other comprehensive loss to be reclassified to net income in subsequent periods</b>				
Net losses on debt securities at fair value through OCI	(1,433)	(1,001)	(1,946)	(3,310)
	(1,433)	(1,001)	(1,946)	(3,310)
<b>Other comprehensive (loss)/income not to be reclassified to net income in subsequent periods</b>				
Re-measurement (losses)/gains on retirement benefit plans	(28,479)	31,103	(28,479)	31,103
	(28,479)	31,103	(28,479)	31,103
<b>Other comprehensive (loss)/income for the period</b>	<b>(29,912)</b>	<b>30,102</b>	<b>(30,425)</b>	<b>27,793</b>
<b>Comprehensive (loss)/income for the period</b>	<b>(7,851)</b>	<b>54,524</b>	<b>39,725</b>	<b>109,976</b>

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

	Issued Capital	Reserves	Retained Earnings	Total
<b>Balance at October 31, 2020</b>	477,230	48,159	94,426	619,815
Comprehensive income for the year	-	27,793	82,183	109,976
Dividends	-	-	(115,408)	(115,408)
Transfer to Statutory Reserve Fund - TCI	-	294	(294)	-
<b>Balance at October 31, 2021</b>	477,230	76,246	60,907	614,383
Comprehensive income for the year	-	(30,425)	70,150	39,725
Dividends	-	-	(43,276)	(43,276)
Transfer to Statutory Reserve Fund - TCI	-	4,656	(4,656)	-
<b>Balance at October 31, 2022</b>	<b>477,230</b>	<b>50,477</b>	<b>83,125</b>	<b>610,832</b>

**Condensed Consolidated Statement of Cash Flows**  
**B\$'000**

	Unaudited Year Ended Oct 31, 2022	Audited Year Ended Oct 31, 2021
Net cash from operating activities	585,500	291,499
Net cash (used in)/from investing activities	(390,969)	7,947
Net cash used in financing activities	(28,180)	(89,657)
Net increase in cash and cash equivalents	166,351	209,789
Cash and cash equivalents, beginning of the year	727,567	517,778
Cash and cash equivalents, end of the year	893,918	727,567

**Notes to the Condensed Consolidated Financial Statements**  
October 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, 2022, included in the Bank's Annual Report 2022. 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 consolidated unaudited financial statements as of October 31, 2022 reflect all dividends for which regulatory approval was received during the fiscal period. There are no dividends declared and pending regulatory approval at October 31, 2022.

**Condensed Consolidated Segment Information**  
**B\$'000**

Year Ended	Unaudited October 31, 2022				
	RBB	CIB	WM	Admin	Total
External revenue	65,615	52,649	884	21,111	140,259
Internal revenue	4,704	10,655	7,295	(22,654)	-
Net interest income	70,319	63,304	8,179	(1,543)	140,259
Operating income	30,520	24,212	5,228	(1,369)	58,591
	100,839	87,516	13,407	(2,912)	198,850
Depreciation	1,687	10	57	6,036	7,790
Operating expenses	23,517	6,486	2,759	72,122	104,884
Indirect expenses	34,873	30,325	12,638	(77,836)	-
Credit loss expense on financial assets	16,174	(3,375)	355	2,872	16,026
<b>Net income for the year</b>	<b>24,588</b>	<b>54,070</b>	<b>(2,402)</b>	<b>(6,106)</b>	<b>70,150</b>

**Balance as at**

Total assets and liabilities by segment

are as follows:

Segment assets	1,075,483	1,016,047	35,672	2,286,998	4,414,200
Segment liabilities	1,425,284	1,667,296	647,465	63,323	3,803,368

**Audited  
October 31, 2021**

Year Ended	Audited 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 release on financial assets	(1,017)	(5,036)	(179)	706	(5,526)
<b>Net income for the year</b>	<b>32,369</b>	<b>52,770</b>	<b>(5,111)</b>	<b>2,155</b>	<b>82,183</b>

**Balance as at**

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.