



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review of the Results
For the 6 months ended April 30, 2023

The Bank continued to execute its client-focused strategy, delivering another quarter of solid results. Reported second quarter net income was \$31.6 million, up \$14.5 million or 85% from the prior year second quarter's net income of \$17.1 million.

For the six months ended April 30, 2023, the Bank reported net income of \$60.1 million, up \$30.9 million or 105.7% from the net income through the second quarter of the prior year. Our financial performance continues to be positively impacted by higher US benchmark interest rates, loan growth and an improved economic landscape across the Bank's operating footprint. Investments in key strategic initiatives, along with higher employee-related costs, have led to higher operating expenses. Our credit quality remains strong, as we experienced a lower level of provisions for credit losses compared with the prior year arising from assumption updates.

Despite the headwinds facing the region's major trading partners, economic projections indicate that the recovery in the country will likely progress in 2023 and 2024, led by tourism, which is anticipated to reach pre-crisis levels of economic activity this year.

The Bank continues to maintain a strong capital position with Tier 1 and Total Capital ratios remaining strong at 27.1%, in excess of applicable regulatory requirements.

At its meeting on June 6, 2023, the Board of Directors approved an interim dividend of nine cents (\$0.09) per share subject to regulatory approval.

As usual, I wish to also acknowledge and thank our clients, employees, shareholders, and directors for their ongoing support.



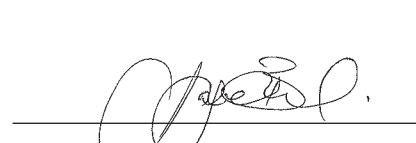
Jacqui Bend
Managing Director

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, 2023	Unaudited Apr 30, 2022	Audited Oct 31, 2022
Assets			
Cash, balances with The Central Bank and due from banks	1,123,640	1,077,096	962,014
Securities	1,157,539	1,186,698	1,317,826
Loans and advances to customers	2,065,524	1,987,771	2,035,563
Property and equipment	40,429	41,918	41,681
Other assets	62,991	96,541	57,116
Total assets	4,450,123	4,390,024	4,414,200
Liabilities			
Customer deposits	3,740,469	3,703,974	3,748,169
Other liabilities	57,105	54,520	55,199
Total liabilities	3,797,574	3,758,494	3,803,368
Equity			
Issued capital	477,230	477,230	477,230
Reserves	58,505	79,634	50,477
Retained earnings	116,814	74,666	83,125
Total equity	652,549	631,530	610,832
Total liabilities and equity	4,450,123	4,390,024	4,414,200



Director



Director

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2023	Apr 30, 2022	Apr 30, 2023	Apr 30, 2022	Oct 31, 2022
Interest and similar income	51,545	32,717	102,233	67,431	147,319
Interest and similar expense	3,514	1,341	6,349	2,731	7,060
Net interest income	48,031	31,376	95,884	64,700	140,259
Operating income	14,876	13,720	29,990	29,055	58,591
	62,907	45,096	125,874	93,755	198,850
Operating expenses	31,029	26,745	65,265	53,753	112,674
Credit loss expense on financial assets	313	1,271	470	10,768	16,026
	31,342	28,016	65,735	64,521	128,700
Net income for the period	31,565	17,080	60,139	29,234	70,150
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
Basic and diluted earnings per share (expressed in cents per share)	26.3	14.2	50.0	24.3	58.4

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2023	Apr 30, 2022	Apr 30, 2023	Apr 30, 2022	Oct 31, 2022
Net income for the period	31,565	17,080	60,139	29,234	70,150
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods					
Net gains/(losses) on debt securities at fair value through OCI	1,308	(2,028)	3,216	(1,268)	(1,946)
	1,308	(2,028)	3,216	(1,268)	(1,946)
Other comprehensive loss not to be reclassified to net income in subsequent periods					
Re-measurement losses on retirement benefit plans	-	-	-	-	(28,479)
	-	-	-	-	(28,479)
Other comprehensive income/(loss) for the period	1,308	(2,028)	3,216	(1,268)	(30,425)
Comprehensive income for the period	32,873	15,052	63,355	27,966	39,725

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

	Issued Capital	Reserves	Retained Earnings	Total
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 - TCI	-	4,656	(4,656)	-
Balance at April 30, 2022	477,230	79,634	74,666	631,530
Balance at October 31, 2022	477,230	50,477	83,125	610,832
Comprehensive income for the period	-	3,216	60,139	63,355
Dividends	-	-	(21,638)	(21,638)
Transfer to Statutory Reserve Fund - TCI	-	4,812	(4,812)	-
Balance at April 30, 2023	477,230	58,505	116,814	652,549

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2023	Apr 30, 2022	Oct 31, 2022
Net cash from operating activities	17,958	595,849	545,043
Net cash from/(used in) investing activities	183,380	(269,584)	(390,612)
Net cash used in financing activities	(21,638)	(39,713)	(28,180)
Net increase in cash and cash equivalents	179,700	286,552	126,251
Cash and cash equivalents, beginning of the period	853,818	727,567	727,567
Cash and cash equivalents, end of the period	1,033,518	1,014,119	853,818

Notes to the Condensed Consolidated Financial Statements
April 30, 2023

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 unaudited condensed consolidated financial statements as of April 30, 2023 reflect all dividends for which regulatory approval was received during the fiscal period. There are no dividends declared and pending regulatory approval at April 30, 2023.

Condensed Consolidated Segment Information
B\$'000

	Unaudited April 30, 2023				
	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	33,882	33,528	1,097	27,377	95,884
Internal revenue	3,622	15,677	198	(19,497)	-
Net interest income	37,504	49,205	1,295	7,880	95,884
Operating income	16,204	13,917	666	(797)	29,990
	53,708	63,122	1,961	7,083	125,874
Depreciation	794	4	28	3,095	3,921
Operating expenses	11,512	3,385	501	45,946	61,344
Indirect expenses	20,405	23,174	2,897	(46,476)	-
Credit loss expense on financial assets	4,736	(3,896)	(56)	(314)	470
Net income for the period	16,261	40,455	(1,409)	4,832	60,139

Balance as at

Total assets and liabilities by segment are as follows:	RBB	CIB	WM	Admin	Total
Segment assets	1,072,949	1,042,575	34,977	2,299,622	4,450,123
Segment liabilities	1,513,422	2,169,740	82,695	31,717	3,797,574

**Unaudited
April 30, 2022**

	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	32,872	24,224	504	7,100	64,700
Internal revenue	1,638	7,464	257	(9,359)	-
Net interest income	34,510	31,688	761	(2,259)	64,700
Operating income	14,567	14,510	572	(594)	29,055
	49,077	46,198	1,333	(2,853)	93,755
Depreciation	788	5	29	3,029	3,851
Operating expenses	11,301	4,105	448	34,048	49,902
Indirect expenses	15,504	17,936	1,886	(35,326)	-
Credit loss expense on financial assets	13,059	(4,655)	253	2,111	10,768
Net income for the period	8,425	28,807	(1,283)	(6,715)	29,234

Balance as at

Total assets and liabilities by segment are as follows:	RBB	CIB	WM	Admin	Total
Segment assets	1,078,728	914,707	26,875	2,369,714	4,390,024
Segment liabilities	1,506,512	2,194,371	88,375	(30,764)	3,758,494

**Audited
October 31, 2022**

	RBB	CIB	WM	Admin	Total
Year Ended					
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
Net income for the year	24,588	54,070	(2,402)	(6,106)	70,150

Balance as at

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

Notes:

The Bank's operations are organized 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.

Comparative numbers reported have been adjusted to reflect the following business segment reorganizations effective November 1, 2022:

- Customer Call Centre previously reported under RBB has been aligned to Technology, Infrastructure & Innovation under Admin
- International Corporate Banking previously reported under WM has been aligned to CIB