



FirstCaribbean
International Bank

FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review Of the Results
For the six months ended April 30, 2016

For the six months ended April 30, 2016, the Bank reported net income of \$35.1 million, up \$2.4 million or 7% when compared with net income of \$32.7 million for the corresponding period last year.

Total revenue was \$85.9 million, up slightly compared with the same period last year primarily due to lower funding costs and higher non-interest income. The Bank's productive loan growth has been encouraging across both Retail and Wholesale Banking segments; however regional economies have been slow to recover as reflected by generally low credit demand and uneven investment activity. Sustained profitable growth continues to be a key priority for the Bank.

Operating expenses of \$44.5 million were contained and have remained in line with the same period in the prior year. We continue to benefit from discretionary expense control and ongoing savings from the restructuring program initiated in 2014, but also continue to invest in our franchise through project related spend.

Loan loss impairment expense was down by \$1.9 million or 23% compared with the same period in the prior year. An improved loss experience and enhanced loan recovery activity underline the lower loan losses. Additionally, non-productive loan balances continue to decline as significant focus is placed on further strengthening the quality of our loan portfolio.

At the end of the second quarter, the Bank's Tier 1 and Total Capital ratios are 27.5% and 28.6% respectively, well in excess of applicable regulatory requirements. Additionally, at its meeting on June 16, 2016, the Board of Directors approved an interim dividend of fifteen cents (\$0.15) per share to be paid on August 9, 2016 to shareholders of record at the close of business on August 3, 2016.

During the second quarter, the Bank continued to execute initiatives to enhance and integrate the client experience, including expansion of its Automated Banking Machine (ABM) network. Investment in our brand and infrastructure is integral to our success and also signifies the Bank's ongoing commitment to grow its franchise and offer clients a best-in-class service and experience.

We again wish to thank the Board, management, staff and most importantly our clients for their loyalty and continuing support.

Marie Rodland-Allen
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 company's website at www.cibcfib.com.

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited April 30, 2016 \$	Unaudited April 30, 2015 \$	Audited Oct 31, 2015 \$
Assets			
Cash, balances with The Central Bank and due from banks	498,312	556,725	495,589
Other assets	36,880	24,861	30,576
Investment securities	758,275	771,407	781,848
Loans and advances to customers	1,911,744	1,879,259	1,871,361
Property and equipment	25,688	26,036	25,328
Goodwill	72,747	72,747	72,747
Total Assets	3,303,646	3,331,035	3,277,449
Liabilities			
Customer deposits	2,598,369	2,683,182	2,585,806
Other liabilities	80,968	76,166	83,814
Total Liabilities	2,679,337	2,759,348	2,669,620
Equity			
Issued capital	477,230	477,230	477,230
Reserves	(27,587)	(34,675)	(30,602)
Retained earnings	174,666	129,132	161,201
Total Equity	624,309	571,687	607,829
Total Liabilities And Equity	3,303,646	3,331,035	3,277,449

Director

Director

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

	Issued Capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance at October 31, 2014 (Restated)*	477,230	(37,249)	114,284	554,265
Total comprehensive income for the period	-	374	32,676	33,050
Dividends	-	-	(15,628)	(15,628)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	2,200	(2,200)	-
Balance at April 30, 2015	477,230	(34,675)	129,132	571,687
Balance at October 31, 2015	477,230	(30,602)	161,201	607,829
Total comprehensive income for the period	-	(583)	35,097	34,514
Dividends	-	-	(18,034)	(18,034)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	-	-	-
Net Transfer to Head Office	-	-	-	-
Transfer from Statutory Loan Reserve	-	3,598	(3,598)	-
Balance at April 30, 2016	477,230	(27,587)	174,666	624,309

*Certain amounts shown here do not correspond to the 2014 consolidated financial statements and reflect adjustments made.

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2016	Apr 30, 2015	Apr 30, 2016	Apr 30, 2015	Oct 31, 2015
	\$	\$	\$	\$	\$
Total interest income	36,549	38,150	72,080	74,312	148,445
Total interest expense	2,902	3,544	5,772	7,581	14,036
Net interest income	33,647	34,606	66,308	66,731	134,409
Other operating income	9,206	8,780	19,563	18,465	37,691
Total revenue	42,853	43,386	85,871	85,196	172,100
Operating expenses	22,988	21,905	44,514	44,383	90,953
Loan loss impairment	5,018	2,295	6,260	8,138	14,934
	28,006	24,200	50,774	52,521	105,887
Net income for the period	14,847	19,186	35,097	32,675	66,213
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)	12.4	16.0	29.2	27.2	55.1

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2016	Apr 30, 2015	Apr 30, 2016	Apr 30, 2015	Oct 31, 2015
	\$	\$	\$	\$	\$
Net income for the period	14,847	19,186	35,097	32,675	66,213
Other comprehensive income					
Net loss on available-for-sale investment securities	(583)	(1,754)	(2,331)	(1,988)	(736)
Re-measurement gain of retirement benefit obligations	-	-	-	-	19,343
Other comprehensive (loss)/income for the period	(583)	(1,754)	(2,331)	(1,988)	18,607
Total comprehensive income for the period	14,264	17,432	32,766	30,687	84,820

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Six Months Ended Apr 30, 2016 \$	Unaudited Six Months Ended Apr 30, 2015 \$	Audited Year Ended Oct 31, 2015 \$
Net cash (used in)/from operating activities	(11,459)	94,547	(45,908)
Net cash from/(used in) investing activities	32,713	(45,766)	(23,805)
Net cash used in financing activities	(18,032)	(15,628)	(31,256)
Net increase/(decrease) in cash and cash equivalents	3,222	33,153	(100,969)
Cash and cash equivalents, beginning of the period	354,776	455,703	455,745
Cash and cash equivalents, end of the period	357,998	488,856	354,776

Notes to the Condensed Consolidated Financial Statements
April 30, 2016

1. 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, 2015, included in the Bank's Annual Report 2015. 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. (formerly FirstCaribbean Insurance Agency (Bahamas) Limited)
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCI) Limited

Dividends

The Directors have declared an interim dividend of fifteen cents per share payable on August 9, 2016 to shareholders of record as at the close of business on August 3, 2016.

Notes to the Condensed Consolidated Financial Statements
Condensed Consolidated Segment Information
B\$'000

	Unaudited Six Months Ended April 30, 2016				
	RB	WB	WM	Admin	Total
External revenues	48,201	24,969	1,272	11,429	85,871
Revenues from other segments	(8,781)	5,509	4,184	(912)	-
Total revenues	39,420	30,478	5,456	10,517	85,871
Segment Results	4,387	12,019	2,542	16,149	35,097
Net income for the period					35,097
Segment assets	1,083,110	857,757	6,830	1,283,202	3,230,899
Unallocated assets					72,747
Total assets					3,303,646
Segment liabilities	1,025,804	895,325	584,959	173,249	2,679,337
Total liabilities					2,679,337

	Unaudited Six Months Ended April 30, 2015				
	RB	WB	WM	Admin	Total
External revenues	47,540	27,133	898	9,625	85,196
Revenues from other segments	(6,827)	7,453	4,704	(5,330)	-
Total revenues	40,713	34,586	5,602	4,295	85,196
Segment Results	1,873	16,792	4,432	9,578	32,675
Net income for the period					32,675
Segment assets	1,086,990	820,224	954	1,350,120	3,258,288
Unallocated assets					72,747
Total assets					3,331,035
Segment liabilities	1,053,538	900,511	648,373	156,926	2,759,348
Total liabilities					2,759,348

	Audited Year ended October 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	95,271	53,730	2,093	21,006	172,100
Revenues from other segments	(14,860)	12,696	8,358	(6,194)	-
Total revenues	80,411	66,426	10,451	14,812	172,100
Segment Results	7,692	29,285	5,552	23,684	66,213
Net income for the year					66,213
Segment assets	1,085,617	811,400	3,048	1,304,637	3,204,702
Unallocated assets					72,747
Total assets					3,277,449
Segment liabilities	1,026,966	895,263	593,311	154,080	2,669,620
Total liabilities					2,669,620

Notes:

The Bank's operations are organised into three business segments, Retail & Business Banking ("RB"), Wholesale Banking ("WB") 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. The Admin segment results include the earnings on economic capital and capital charges for Treasury and the offset of the same for RB, WB and WM. Effective November 2015, International Wealth, previously reported within the Wealth Management segment, was transitioned to Retail and Business Banking. Prior period disclosures were amended to conform to this current presentation basis. Please refer to Note 25 of the Bank's 2015 Annual Report for further details.