



FirstCaribbean
International Bank

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

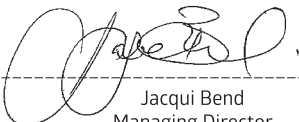
The Bank reported net income of \$18.9 million for the third quarter, \$0.7 million or 4% lower than the third quarter's net income of \$19.6 million a year ago.

For the nine-month period ended July 31, 2022, the Bank reported net income of \$48.1 million compared to \$57.8 million for the same period in the prior year. The Bank continues to register strong revenue growth due to rising US interest rates and higher activity-based fees. The financial results for the year to date, however, were impacted by increased provisions for credit losses, largely reflective of changes in model assumptions and credit migration. Despite some economic recovery in the country over the last quarter, the outlook remains uncertain considering the continued supply chain disruption, the war in Ukraine and macro-economic challenges in key global source markets.

We continue to maintain capital levels which remain in excess of applicable regulatory requirements. At the end of the third quarter, the Bank's Tier 1 and Total Capital ratios were both 24.7%. The Board of Directors, at its meeting on September 13, 2022, approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

The Bank continues to execute its strategic priorities, which include expanding our digital platform, deepening our client relationships and developing highly connected and engaged employees.

I would like to acknowledge and thank our clients, employees, shareholders and directors for their loyalty, commitment and continued support to our Bank.


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 Jul 31, 2022	Unaudited Jul 31, 2021	Audited Oct 31, 2021
Assets			
Cash, balances with The Central Bank and due from banks	1,138,364	960,888	814,522
Securities	1,229,417	805,371	918,420
Loans and advances to customers	2,053,313	2,061,138	2,124,785
Property and equipment	40,741	40,813	40,493
Other assets	95,575	56,494	81,962
Total assets	4,557,410	3,924,704	3,980,182
Liabilities			
Customer deposits	3,859,854	3,233,102	3,281,731
Other liabilities	57,611	70,427	84,068
Total liabilities	3,917,465	3,303,529	3,365,799
Equity			
Issued capital	477,230	477,230	477,230
Reserves	80,012	46,147	76,246
Retained earnings	82,703	97,798	60,907
Total equity	639,945	621,175	614,383
Total liabilities and equity	4,557,410	3,924,704	3,980,182

Director

Director

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2022	Jul 31, 2021	Jul 31, 2022	Jul 31, 2021	Oct 31, 2021
Total interest income	36,518	35,484	103,950	107,725	142,288
Total interest expense	1,750	1,296	4,481	4,022	5,293
Net interest income	34,768	34,188	99,469	103,703	136,995
Operating income	15,090	12,204	44,145	34,912	47,128
Total revenue	49,858	46,392	143,614	138,615	184,123
Operating expenses	28,480	28,564	82,234	81,124	107,466
Credit loss expense/(release) on financial assets	2,522	(1,782)	13,290	(272)	(5,526)
	31,002	26,782	95,524	80,852	101,940
Net income for the period	18,856	19,610	48,090	57,763	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)	15.7	16.3	40.0	48.0	68.4

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2022	Jul 31, 2021	Jul 31, 2022	Jul 31, 2021	Oct 31, 2021
Net income for the period	18,856	19,610	48,090	57,763	82,183
Other comprehensive loss to be reclassified to net income in subsequent periods					
<i>Net gains/(losses) on debt securities at fair value through OCI</i>	378	943	(890)	(2,306)	(3,310)
	378	943	(890)	(2,306)	(3,310)
Other comprehensive income not to be reclassified to net income in subsequent periods					
<i>Re-measurement gains on retirement benefit plans</i>	-	-	-	-	31,103
	-	-	-	-	31,103
Other comprehensive income/(loss) for the period	378	943	(890)	(2,306)	27,793
Comprehensive income for the period	19,234	20,553	47,200	55,457	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	-	(2,306)	57,763	55,457
Dividends	-	-	(54,097)	(54,097)
Transfer to Statutory Reserve Fund - TCI	-	294	(294)	-
Balance at July 31, 2021	477,230	46,147	97,798	621,175
Balance at October 31, 2021	477,230	76,246	60,907	614,383
Comprehensive income for the period	-	(890)	48,090	47,200
Dividends	-	-	(21,638)	(21,638)
Transfer to Statutory Reserve Fund - TCI	-	4,656	(4,656)	-
Balance at July 31, 2022	477,230	80,012	82,703	639,945

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2022	Jul 31, 2021	Oct 31, 2021
Net cash from operating activities	677,471	301,194	291,499
Net cash (used in)/from investing activities	(308,888)	120,010	7,947
Net cash used in financing activities	(50,532)	(65,332)	(89,657)
Net increase in cash and cash equivalents	318,051	355,872	209,789
Cash and cash equivalents, beginning of the period	727,567	517,778	517,778
Cash and cash equivalents, end of the period	1,045,618	873,650	727,567

Notes to the Condensed Consolidated Financial Statements
July 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

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 July 31, 2022.

Condensed Consolidated Segment Information
B\$'000

	Unaudited July 31, 2022				
	RBB	CIB	WM	Admin	Total
Nine Months Ended					
External revenue	48,994	37,320	582	12,573	99,469
Internal revenue	3,203	7,748	4,536	(15,487)	-
Net interest income	52,197	45,068	5,118	(2,914)	99,469
Operating income	22,281	18,707	4,121	(964)	44,145
	74,478	63,775	9,239	(3,878)	143,614
Depreciation	1,200	8	43	4,555	5,806
Operating expenses	17,481	4,858	1,877	52,212	76,428
Indirect expenses	24,811	21,725	8,734	(55,270)	-
Credit loss expense/(release) on financial assets	11,800	(2,120)	116	3,494	13,290
Net income/(loss) for the period	19,186	39,304	(1,531)	(8,869)	48,090

Balance as at

Total assets and liabilities by segment are as follows:

Segment assets	1,080,638	1,028,547	27,184	2,421,041	4,557,410
Segment liabilities	1,456,096	1,705,539	648,811	107,019	3,917,465

	Unaudited July 31, 2021				
	RBB	CIB	WM	Admin	Total
Nine Months Ended					
External revenue	49,976	37,930	511	15,286	103,703
Internal revenue	(4,791)	9,540	4,208	(8,957)	-
Net interest income	45,185	47,470	4,719	6,329	103,703
Operating income	18,496	14,099	3,072	(755)	34,912
	63,681	61,569	7,791	5,574	138,615
Depreciation	1,048	9	43	4,793	5,893
Operating expenses	17,845	4,370	1,633	51,383	75,231
Indirect expenses	23,805	20,808	9,758	(54,371)	-
Credit loss expense/(release) on financial assets	5,940	(6,956)	(236)	980	(272)
Net income/(loss) for the period	15,043	43,338	(3,407)	2,789	57,763

Balance as at

Total assets and liabilities by segment are as follows:

Segment assets	1,063,058	985,712	27,379	1,848,555	3,924,704
Segment liabilities	1,429,063	1,243,646	679,997	(49,177)	3,303,529

	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 (release)/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:

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). RBB, CIB and WM are charged or credited by Treasury with a market-based cost of funds on assets, liabilities and capital, respectively. The offset of these charges or credits are reported in the Treasury function within the Admin segment.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Transfer pricing methodologies are reviewed on an ongoing basis to ensure they reflect changing market environments and industry practices. Transactions between the business segments are on normal commercial terms and conditions.