



**FIRSTCARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED**  
**MANAGING DIRECTOR'S REVIEW OF THE RESULTS**  
For the three months ended January 31, 2016

For the three months ended January 31, 2016, the Bank recorded net income of \$20.2 million; a significant improvement in performance when compared with net income of \$13.5 million for the corresponding period last year.

Total revenue was \$43.0 million, up \$1.2 million or 3% compared with the same period last year primarily due to lower funding costs and higher operating income. Productive loan growth has started to show some encouraging signs despite credit demand. Sustained, profitable growth remains a key priority for the Bank.

Operating expenses of \$21.5 million were down by \$1.0 million compared with the same period in the prior year as we continue to benefit from discretionary expense control and ongoing savings from the restructuring program initiated in 2013.

Loan loss impairment expense was significantly down by \$4.6 million or 79% compared with the same period in the prior year due to an improving loss experience and loan recovery activity. Additionally, non-productive loan balances continue to decline as significant focus is placed on further strengthening the quality of our loan portfolio.

After paying a dividend of 15.0 cents (\$0.15) per share, on January 25, 2016, the Bank's Tier 1 and Total Capital ratios still remain strong at 33.1% and 34.1%, well in excess of applicable regulatory requirements.

We again wish to thank the Board, management, staff and most importantly our customers 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.

**FirstCaribbean International Bank (Bahamas) Limited**  
**Condensed Consolidated Statement of Financial Position**  
B\$'000

	Unaudited Jan 31, 2016	Unaudited Jan 31, 2015	Audited Oct 31, 2015
	\$	\$	\$
		Restated	
<b>Assets</b>			
Cash and balances with Central Banks and due from banks	572,723	487,048	495,589
Other assets	29,577	31,130	30,576
Investment securities	742,978	779,644	781,848
Loans and advances to customers	1,900,879	1,888,512	1,871,361
Property and equipment	26,931	25,921	25,328
Goodwill	72,747	72,747	72,747
<b>Total Assets</b>	<b>3,345,835</b>	<b>3,285,002</b>	<b>3,277,449</b>
<b>Liabilities</b>			
Customer deposits	2,655,992	2,660,884	2,585,806
Other liabilities	81,552	74,353	83,814
<b>Total Liabilities</b>	<b>2,737,544</b>	<b>2,735,237</b>	<b>2,669,620</b>
<b>Equity</b>			
Issued capital	477,230	477,230	477,230
Reserves	(32,356)	(53,771)	(30,602)
Retained earnings	163,417	126,306	161,201
<b>Total Equity</b>	<b>608,291</b>	<b>549,765</b>	<b>607,829</b>
<b>Total Liabilities And Equity</b>	<b>3,345,835</b>	<b>3,285,002</b>	<b>3,277,449</b>

Managing Director

Director

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

	Issued Capital \$	Reserves \$	Retained Earnings \$	Total
<b>Balance at October 31, 2014 (Restated)*</b>	477,230	(51,409)	128,444	554,265
Total comprehensive income for the period	-	(2,362)	13,490	11,128
Dividends	-	-	(15,628)	(15,628)
<b>Balance at January 31, 2015</b>	<b>477,230</b>	<b>(53,771)</b>	<b>126,306</b>	<b>549,765</b>
<b>Balance at October 31, 2015</b>	<b>477,230</b>	<b>(30,602)</b>	<b>161,201</b>	<b>607,829</b>
Total comprehensive income for the period	-	(1,754)	20,248	18,494
Dividends	-	-	(18,032)	(18,032)
<b>Balance at January 31, 2016</b>	<b>477,230</b>	<b>(32,356)</b>	<b>163,417</b>	<b>608,291</b>

\*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		Audited Year Ended
	Jan 31, 2016	Jan 31, 2015	Oct 31, 2015
	\$	\$	\$
<b>Total interest income</b>	<b>35,531</b>	<b>36,162</b>	<b>148,445</b>
<b>Total interest expense</b>	<b>2,870</b>	<b>4,037</b>	<b>14,036</b>
<b>Net interest income</b>	<b>32,661</b>	<b>32,125</b>	<b>134,409</b>
<b>Other operating income</b>	<b>10,357</b>	<b>9,685</b>	<b>37,691</b>
<b>Total revenue</b>	<b>43,018</b>	<b>41,810</b>	<b>172,100</b>
Operating expenses	21,528	22,477	90,953
Loan loss impairment	1,242	5,843	14,934
Impairment of goodwill	-	-	-
	22,770	28,320	105,887
<b>Net income for the period</b>	<b>20,248</b>	<b>13,490</b>	<b>66,213</b>
<b>Weighted average number of common shares outstanding for the period</b>	<b>120,216,204</b>	<b>120,216,204</b>	<b>120,216,204</b>
<b>Net earnings per share (in cents)</b>	<b>16.8</b>	<b>11.2</b>	<b>55.1</b>

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

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2016	Jan 31, 2015	Oct 31, 2015
	\$	\$	\$
Net income for the period	20,248	13,490	66,213
<b>Other comprehensive income</b>			
Net loss on available-for-sale investment securities	(1,754)	(2,362)	(736)
Re-measurement gain of Retirement benefit obligations	-	-	19,343
Other comprehensive (loss)/income for the period	(1,754)	(2,362)	18,607
<b>Total comprehensive income for the period</b>	<b>18,494</b>	<b>11,128</b>	<b>84,820</b>

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

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2016	Jan 31, 2015	Oct 31, 2015
	\$	\$	\$
Net cash from/(used in) operating activities	33,787	(52,935)	(45,908)
Net cash from/(used in) investing activities	43,278	(37,215)	(23,805)
Net cash used in financing activities	(18,032)	(15,628)	(31,256)
Net increase/(decrease) in cash and cash equivalents	59,033	(105,778)	(100,969)
Cash and cash equivalents, beginning of the period	354,776	455,703	455,745
Cash and cash equivalents, end of the period	413,809	349,925	354,776

**Notes to the Condensed Consolidated Financial Statements**  
January 31, 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 (TCL) Limited

**Dividends**

During the quarter, the final dividends for the fiscal year ended October 31, 2015, as approved by the Board of Directors at a meeting held on December 17, 2015, in the amount of \$18.0 million (\$0.15 per share), were paid.

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

	Unaudited Three Months Ended January 31, 2016				
	RB	WB	WM	Admin	Total
External revenues	24,602	12,079	705	5,632	43,018
Revenues from other segments	(4,393)	2,791	2,017	(415)	-
<b>Total revenues</b>	<b>20,209</b>	<b>14,870</b>	<b>2,722</b>	<b>5,217</b>	<b>43,018</b>
<b>Segment Results</b>	<b>2,477</b>	<b>7,781</b>	<b>1,237</b>	<b>8,753</b>	<b>20,248</b>
<b>Net income for the period</b>					<b>20,248</b>
Segment assets	1,092,830	839,836	3,106	1,337,316	3,273,088
Unallocated assets					72,747
<b>Total assets</b>					<b>3,345,835</b>
Segment liabilities	1,010,141	965,795	592,551	169,057	2,737,544
Unallocated liabilities					-
<b>Total liabilities</b>					<b>2,737,544</b>

	Unaudited Three Months Ended January 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	23,900	12,672	279	4,959	41,810
Revenues from other segments	(2,841)	5,162	2,789	(5,110)	-
<b>Total revenues</b>	<b>21,059</b>	<b>17,834</b>	<b>3,068</b>	<b>(151)</b>	<b>41,810</b>
<b>Segment Results</b>	<b>1,027</b>	<b>7,919</b>	<b>1,965</b>	<b>2,579</b>	<b>13,490</b>
<b>Net income for the period</b>					<b>13,490</b>
Segment assets	1,098,855	820,363	339	1,292,698	3,212,255
Unallocated assets					72,747
<b>Total assets</b>					<b>3,285,002</b>
Segment liabilities	1,016,828	866,765	668,863	182,781	2,735,237
Unallocated liabilities					-
<b>Total liabilities</b>					<b>2,735,237</b>

	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)	-
<b>Total revenues</b>	<b>80,411</b>	<b>66,426</b>	<b>10,451</b>	<b>14,812</b>	<b>172,100</b>
<b>Segment Results</b>	<b>7,692</b>	<b>29,285</b>	<b>5,552</b>	<b>23,684</b>	<b>66,213</b>
<b>Net income for the year</b>					<b>66,213</b>
Segment assets	1,085,617	811,400	3,048	1,304,637	3,204,702
Unallocated assets					72,747
<b>Total assets</b>					<b>3,277,449</b>
Segment liabilities	1,026,966	895,263	593,311	154,080	2,669,620
Unallocated liabilities					-
<b>Total liabilities</b>					<b>2,669,620</b>

**Notes:**

The Bank's operations are organized 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 Annual Report 2015 for further details.