



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review Of the Results
For the nine months ended July 31, 2016

The Bank reported net income of \$21.4 million for the third quarter of the fiscal, up \$4.2 million or 25% from the third quarter's net income of \$17.2 million a year ago. The Bank continues to deliver strong results and show profitable growth.

For the nine months ended July 31, 2016, the Bank reported a net income of \$56.5 million, up \$6.7 million or 13%, a significant improvement in performance when compared with net income of \$49.9 million for the corresponding period last year.

Total revenue for the period was \$129.6 million, up \$1.3 million or 1% compared with the same period last year primarily due to lower funding costs and higher non-interest income. Regional economies are still recovering slowly and yet economic outlooks generally reflect marginal growth along with uneven investment activity. Operating expenses of \$67.2 million were up slightly, by \$0.5 million or 1%, compared with the same period in the prior year. The Bank continues to invest in its franchise through employee expenditures, network expansion and product and service initiatives.

Loan loss impairment expense was \$5.9 million as of the end of the third quarter, down 50% against the prior year. An improved loss experience and ongoing loan recovery activity underscore 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. Non-productive loan balances have reduced by 28% from a year ago.

At the end of the third quarter, the Bank's Tier 1 and Total Capital ratios were 27.6% and 28.5% respectively, well in excess of applicable regulatory requirements.

During the third quarter, the Bank continued to make progress against its stated objectives of growing our business and enhancing the client experience. The product suite for the Business Banking sub-segment was expanded with the launch of a new Visa Business Debit Card. This new payment solution will provide clients with another option to manage their operations and growth within their businesses. In June, the CIBC FirstCaribbean Mobile Banking App was launched positioning FirstCaribbean International Bank as the first regional financial service provider to launch an app with extensive functionality, continuing our strategy of delivering innovative banking solutions for our customers. To date, there have been more than 20,000 downloads of the mobile app across the region.

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.cibcfcb.com.

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited July 31, 2016	Unaudited July 31, 2015	Audited Oct 31, 2015
	\$	\$	\$
Assets			
Cash, balances with The Central Bank and due from banks	444,912	661,962	495,589
Other assets	39,519	15,802	30,576
Investment securities	758,712	794,211	781,848
Loans and advances to customers	1,971,122	1,874,588	1,871,361
Property and equipment	27,048	25,936	25,328
Goodwill	72,747	72,747	72,747
Total Assets	3,314,060	3,445,246	3,277,449
Liabilities			
Customer deposits	2,578,508	2,791,423	2,585,806
Other liabilities	106,935	79,397	83,814
Total Liabilities	2,685,443	2,870,820	2,669,620
Equity			
Issued capital	477,230	477,230	477,230
Reserves	(26,659)	(33,491)	(30,602)
Retained earnings	178,046	130,687	161,201
Total Equity	628,617	574,426	607,829
Total Liabilities And Equity	3,314,060	3,445,246	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	-	1,559	49,858	51,417
Dividends	-	-	(31,256)	(31,256)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	2,199	(2,199)	-
Balance at July 31, 2015	477,230	(33,491)	130,687	574,426
Balance at October 31, 2015	477,230	(30,602)	161,201	607,829
Total comprehensive income for the period	-	345	56,508	56,853
Dividends	-	-	(36,065)	(36,065)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	3,598	(3,598)	-
Balance at July 31, 2016	477,230	(26,659)	178,046	628,617

*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 Nine Months Ended		Audited Year Ended
	Jul 31, 2016	Jul 31, 2015	Jul 31, 2016	Jul 31, 2015	Oct 31, 2015
	\$	\$	\$	\$	\$
Total interest income	37,026	36,878	109,105	111,190	148,445
Total interest expense	2,859	3,570	8,631	11,152	14,036
Net interest income	34,167	33,308	100,474	100,038	134,409
Other operating income	9,572	9,839	29,134	28,305	37,691
Total revenue	43,739	43,147	129,608	128,343	172,100
Operating expenses	22,654	22,326	67,168	66,709	90,953
Loan loss impairment	(328)	3,638	5,932	11,776	14,934
	22,326	25,964	73,100	78,485	105,887
Net income for the period	21,413	17,183	56,508	49,858	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)	17.8	14.3	47.0	41.5	55.1

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Jul 31, 2016	Jul 31, 2015	Jul 31, 2016	Jul 31, 2015	Oct 31, 2015
	\$	\$	\$	\$	\$
Net income for the period	21,413	17,183	56,508	49,858	66,213
Other comprehensive income					
Net gain/(loss) on available-for-sale investment securities	345	1,183	(1,983)	1,559	(736)
Re-measurement gain of retirement benefit obligations	-	-	-	-	19,343
Other comprehensive income/(loss) for the period	345	1,183	(1,983)	1,559	18,607
Total comprehensive income for the period	21,758	18,366	54,525	51,417	84,820

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Nine Months Ended		Audited Year Ended
	Jul 31, 2016	Jul 31, 2015	Oct 31, 2015
	\$	\$	\$
Net cash (used in)/from operating activities	(50,654)	162,583	(45,908)
Net cash from/(used in) investing activities	36,109	(75,113)	(23,805)
Net cash used in financing activities	(36,065)	(31,256)	(31,256)
Net (decrease)/increase in cash and cash equivalents	(50,610)	56,214	(100,969)
Cash and cash equivalents, beginning of the period	354,776	455,703	455,745
Cash and cash equivalents, end of the period	304,166	511,917	354,776

Notes to the Condensed Consolidated Financial Statements
July 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 (TCI) Limited

Dividends

An interim dividend of thirteen cents per share was approved by the Board of Directors and paid during the third quarter.



FirstCaribbean International Bank

FirstCaribbean International Bank (Bahamas) Limited

Notes to the Condensed Consolidated Financial Statements

Condensed Consolidated Segment Information B\$'000

	Unaudited Nine Months Ended July 31, 2016				
	RB	WB	WM	Admin	Total
External revenues	71,530	38,996	1,842	17,240	129,608
Revenues from other segments	(13,183)	7,977	6,375	(1,169)	-
Total revenues	58,347	46,973	8,217	16,071	129,608
Segment Results	7,818	20,853	3,925	23,912	56,508
Net income for the period					56,508
Segment assets	1,081,978	912,818	8,000	1,238,517	3,241,313
Unallocated assets					72,747
Total assets					3,314,060
Segment liabilities	993,781	891,769	571,092	228,801	2,685,443
Total liabilities					2,685,443

	Unaudited Nine Months Ended July 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	68,306	39,928	5,537	14,572	128,343
Revenues from other segments	(12,500)	10,034	8,313	(5,847)	-
Total revenues	55,806	49,962	13,850	8,725	128,343
Segment Results	4,011	24,214	5,187	16,446	49,858
Net income for the period					49,858
Segment assets	998,067	824,006	84,214	1,466,212	3,372,499
Unallocated assets					72,747
Total assets					3,445,246
Segment liabilities	811,665	948,206	862,073	248,876	2,870,820
Total liabilities					2,870,820

	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 period					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.