

# FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended January 31, 2016 (expressed in thousands of United States dollars)



FirstCaribbean  
International Bank

## CHIEF EXECUTIVE OFFICER'S REVIEW

For the three months ended January 31, 2016, the Bank recorded net income of \$38.7 million; a significant improvement in performance when compared with net income of \$26.6 million for the corresponding period last year.

Total revenue was \$138.2 million, up \$8.3 million or 6% compared with the same period last year primarily due to lower funding costs, higher loan earnings and higher operating income. Productive loan growth has started to show some encouraging signs despite economies being slow to recover and sustained credit demand not yet returning to the region. Sustained, profitable growth remains a key priority for the Bank.

Operating expenses of \$90.4 million were up by \$5.3 million compared with the same period in the prior year primarily as a result of higher business taxes and project related spend. We continue to benefit from discretionary expense control and ongoing savings from the restructuring program initiated in 2014.

Loan loss impairment expense was significantly down by \$11.6 million or 74% 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 regular dividend of 2.0 cents (\$0.020) per share along with a special dividend of 6.3 cents (\$0.063) per share in the first quarter, the Bank's Tier 1 and Total Capital ratios still remain strong at 18.2% and 19.5%, well in excess of applicable regulatory requirements.

The Bank ceased banking operations in Belize effective January 31, 2016 following the decision to exit the market which was announced in 2015. We wish to thank Belize customers and staff for their service and patronage over the years.

The Bank's newest, ultra-modern Finance Centre at Rendezvous, Barbados opened its doors at the end of the first quarter to cater to platinum, business banking and retail customers. The investment further signifies the Bank's ongoing commitment to growing its franchise and offering customers a best-in-class service and experience.

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

**Gary Brown**  
Chief Executive Officer  
March 11, 2016

## 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 Limited, please read FirstCaribbean International Bank Limited's financial and other reports that are available on the company's website at [www.cibcfib.com](http://www.cibcfib.com).

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited January 31, 2016	Unaudited January 31, 2015	Audited October 31, 2015
<b>Assets</b>			
Cash, balances with Central Banks and due from banks	2,031,473	2,182,067	1,691,781
Loans and advances to customers	6,011,943	5,996,335	6,005,021
Investment securities	2,305,780	2,344,877	2,331,012
Property and equipment	140,404	129,458	139,701
Other assets	202,904	176,318	154,160
Intangible assets	218,961	218,961	218,961
	<u>10,911,465</u>	<u>11,048,016</u>	<u>10,540,636</u>
Assets of a disposal group classified as held for sale	135,226	-	148,717
<b>Total assets</b>	<u>11,046,691</u>	<u>11,048,016</u>	<u>10,689,353</u>
<b>Liabilities</b>			
Customer deposits and other borrowed funds	9,216,921	9,371,205	8,698,750
Other liabilities	221,449	218,906	267,496
Debt securities in issue	207,207	133,515	208,890
	<u>9,645,577</u>	<u>9,723,626</u>	<u>9,175,136</u>
Liabilities of a disposal group classified as held for sale	120,323	-	133,616
<b>Total liabilities</b>	<u>9,765,900</u>	<u>9,723,626</u>	<u>9,308,752</u>
<b>Equity attributable to equity holders of the parent</b>			
Issued capital and reserves	915,186	902,254	919,678
Retained earnings	339,647	398,964	434,925
	<u>1,254,833</u>	<u>1,301,218</u>	<u>1,354,603</u>
<b>Non-controlling interests</b>	<u>25,958</u>	<u>23,172</u>	<u>25,998</u>
<b>Total equity</b>	<u>1,280,791</u>	<u>1,324,390</u>	<u>1,380,601</u>
<b>Total liabilities and equity</b>	<u>11,046,691</u>	<u>11,048,016</u>	<u>10,689,353</u>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

**Gary Brown**  
Chief Executive Officer

**Sir Allan Fields**  
Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent				Total Equity
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	
<b>Balance at October 31, 2014</b>	1,193,149	(275,904)	397,009	23,397	1,337,651
Comprehensive income for the period	-	(15,657)	25,973	523	10,839
Transfer to reserves	-	666	(666)	-	-
Equity dividends	-	-	(23,352)	-	(23,352)
Dividends of subsidiaries	-	-	-	(748)	(748)
<b>Balance at January 31, 2015</b>	1,193,149	(290,895)	398,964	23,172	1,324,390
<b>Balance at October 31, 2015</b>	1,193,149	(273,471)	434,925	25,998	1,380,601
Comprehensive income for the period	-	(8,360)	37,777	823	30,240
Transfer to reserves	-	3,868	(3,868)	-	-
Equity dividends	-	-	(129,187)	-	(129,187)
Dividends of subsidiaries	-	-	-	(863)	(863)
<b>Balance at January 31, 2016</b>	<u>1,193,149</u>	<u>(277,963)</u>	<u>339,647</u>	<u>25,958</u>	<u>1,280,791</u>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Three months ended January 31, 2016	Unaudited Three months ended January 31, 2015	Audited Year ended October 31, 2015
Interest and similar income	108,242	108,717	435,810
Interest and similar expense	15,283	20,674	73,111
<b>Net interest income</b>	<u>92,959</u>	<u>88,043</u>	<u>362,699</u>
Operating income	45,220	41,842	159,674
	<u>138,179</u>	<u>129,885</u>	<u>522,373</u>
Operating expenses	90,422	85,162	370,111
Loan loss impairment	4,141	15,740	41,507
	<u>94,563</u>	<u>100,902</u>	<u>411,618</u>
<b>Income before taxation</b>	<u>43,616</u>	<u>28,983</u>	<u>110,755</u>
Income tax expense	4,927	2,364	12,823
<b>Net income for the period</b>	<u>38,689</u>	<u>26,619</u>	<u>97,932</u>
Attributable to:			
Equity holders of the parent	37,777	25,973	94,703
Non-controlling interests	912	646	3,229
	<u>38,689</u>	<u>26,619</u>	<u>97,932</u>
<b>Basic and diluted earnings per share attributable to the equity holders of the parent for the period (expressed in cents per share)</b>	<u>2.4</u>	<u>1.6</u>	<u>6.0</u>

Note Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three months ended January 31, 2016	Unaudited Three months ended January 31, 2015	Audited Year ended October 31, 2015
<b>Net income for the period</b>	<u>38,689</u>	<u>26,619</u>	<u>97,932</u>
<b>Other comprehensive loss (net of tax) to be reclassified to net income or loss in subsequent periods</b>			
Net losses on available-for-sale investment securities	(6,281)	(12,327)	(9,583)
Exchange losses on translation of foreign operations	(2,168)	(3,453)	(7,849)
	<u>(8,449)</u>	<u>(15,780)</u>	<u>(17,432)</u>
<b>Other comprehensive loss (net of tax) not to be reclassified to net income or loss in subsequent periods:</b>			
Re-measurement gains of retirement benefit obligations	-	-	10,652
<b>Other comprehensive loss for the period, net of tax</b>	<u>(8,449)</u>	<u>(15,780)</u>	<u>(6,780)</u>
<b>Comprehensive income for the period, net of tax</b>	<u>30,240</u>	<u>10,839</u>	<u>91,152</u>
<b>Comprehensive income for the period attributable to:</b>			
Equity holders of the parent	29,417	10,316	87,055
Non-controlling interests	823	523	4,097
	<u>30,240</u>	<u>10,839</u>	<u>91,152</u>

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

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For the three months ended January 31, 2016 (expressed in thousands of United States dollars)



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International Bank

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months ended January 31, 2016	Audited Year ended October 31, 2015
Net cash from/(used in) operating activities	449,095	(70,047)
Net cash from/(used in) investing activities	23,845	(2,171)
Net cash (used in)/from financing activities	(133,798)	90,280
Net increase in cash and cash equivalents for the period	339,142	18,062
Effect of exchange rate changes on cash and cash equivalents	(2,193)	(7,849)
Cash and cash equivalents, beginning of the period	1,386,397	1,376,184
Cash and cash equivalents, end of the period	1,723,346	1,386,397

Note: Results have been converted to US\$ at an exchange rate of US\$1 = BBD\$2

## CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited January 31, 2016				
	RB	WB	WM	Admin	Total
External revenues	54,074	52,570	10,420	21,115	138,179
Revenues from other segments	3,173	1,359	7,682	(12,214)	-
<b>Total Revenues</b>	<b>57,247</b>	<b>53,929</b>	<b>18,102</b>	<b>8,901</b>	<b>138,179</b>
<b>Segment Results</b>	<b>(1,291)</b>	<b>20,646</b>	<b>7,514</b>	<b>16,747</b>	<b>43,616</b>
Income tax expense					4,927
<b>Net income for the period</b>					<b>38,689</b>
Segment Assets	2,505,690	3,106,148	42,649	5,000,542	10,655,029
Unallocated assets	-	-	-	-	256,436
Assets of a disposal group classified as held for sale	(74,560)	104,402	-	105,384	135,226
<b>Total assets</b>					<b>11,046,691</b>
Segment liabilities	3,469,590	3,049,489	2,711,668	403,320	9,634,067
Unallocated liabilities	-	-	-	-	11,510
Liabilities of a disposal group classified as held for sale	34,579	85,744	-	-	120,323
<b>Total liabilities</b>					<b>9,765,900</b>

	Audited October 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	183,758	208,017	54,204	76,394	522,373
Revenues from other segments	10,657	10,762	26,667	(48,086)	-
<b>Total Revenues</b>	<b>194,415</b>	<b>218,779</b>	<b>80,871</b>	<b>28,308</b>	<b>522,373</b>
<b>Segment Results</b>	<b>(22,085)</b>	<b>48,157</b>	<b>22,986</b>	<b>61,697</b>	<b>110,755</b>
Income tax expense					12,823
<b>Net income for the year</b>					<b>97,932</b>
Segment assets	2,292,723	3,099,409	215,456	4,673,096	10,280,684
Unallocated assets	-	-	-	-	259,952
Assets of a disposal group classified as held for sale	(70,552)	92,523	-	126,746	148,717
<b>Total assets</b>					<b>10,689,353</b>
Segment liabilities	2,929,474	2,657,542	3,137,299	438,910	9,163,225
Unallocated liabilities	-	-	-	-	11,911
Liabilities of a disposal group classified as held for sale	45,436	88,180	-	-	133,616
<b>Total liabilities</b>					<b>9,308,752</b>

	Unaudited January 31, 2015				
	RB	WB	WM	Admin	Total
External revenues	46,664	52,033	9,921	21,267	129,885
Revenues from other segments	1,538	2,047	7,715	(11,300)	-
<b>Total Revenues</b>	<b>48,202</b>	<b>54,080</b>	<b>17,637</b>	<b>9,966</b>	<b>129,885</b>
<b>Segment Results</b>	<b>(7,427)</b>	<b>10,853</b>	<b>6,690</b>	<b>18,867</b>	<b>28,983</b>
Income tax expense					2,364
<b>Net income for the period</b>					<b>26,174</b>
Segment Assets	2,418,036	3,152,029	31,996	5,187,781	10,789,842
Unallocated assets	-	-	-	-	258,174
<b>Total assets</b>					<b>11,048,016</b>
Segment liabilities	3,496,274	2,773,204	3,078,200	370,846	9,718,524
Unallocated liabilities	-	-	-	-	5,102
<b>Total liabilities</b>					<b>9,723,626</b>

### Notes:

1. The Group's operations are organized into four segments, Retail 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, HR, Technology & Operations, Risk and Other). The Administration 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 in Wealth Management was transitioned to Retail and Business Banking. Prior period disclosures were amended to conform to this current presentation basis.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2015, included in the Group's Annual Report 2015. For a description of the Group'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.

### Dividends

During the quarter, the final regular dividend as well as a special dividend for the fiscal year ended October 31, 2015, as approved by the Board of Directors in December 2015, in the amount of two United States cents per share (US\$0.02 per share) and six point three United States cents per share (US\$0.063 per share) were paid.