

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017 (expressed in thousands of US Dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

The Bank reported net income of \$37.2 million for the second quarter of the fiscal, \$2.9 million or 8% above the second quarter's net income of \$34.3 million a year ago. Overall, the Bank delivered another quarter of strong operating results and showed profitable growth despite an uncertain economic environment.

For the six month period ended April 30, 2017, the Bank reported net income of \$70.9 million, down \$2.1 million or 3% compared with the same period last year. Total revenue was \$264.6 million, down \$5.6 million or 2% compared with the same period last year primarily due to lower interest margins and non-recurring securities and foreign exchange gains recorded last year. Operating expenses of \$182.4 million were up \$2.3 million or 1% compared with the same period in the prior year primarily as a result of higher business taxes and technology systems related expenditure. Loan loss impairment expense of \$6.9 million was down \$0.7 million or 9%. An improved loss experience and solid loan recovery activity continue to drive lower loan losses.

Despite the continuing low credit demand and uneven investment activity across the region, the Bank's loan growth has been encouraging across both the Retail and Corporate & Investment Banking segments registering a \$315 million or 5% increase in productive loans over the second quarter of the prior year. Overall loan balances also reflect a decrease of \$72 million in non-productive loans net of loan allowance, resulting in loans and advances to customers of \$6,240 million, up 4% over the second quarter of the prior year. The Bank continues to place significant emphasis on closely managing its portfolio of delinquent and non-productive loan accounts to ensure a high standard of credit quality is maintained. At the end of the quarter, gross non-productive loans stood at \$385 million versus \$493 million a year ago.

At the end of the second quarter, the Bank's Tier 1 and Total Capital ratios are 18.1% and 19.7% respectively, well in excess of applicable regulatory requirements. The Directors have approved an interim dividend of two point five cents (\$0.025) per share to be paid on July 7th, 2017, to shareholders of record on June 23rd, 2017.

During the second quarter, the Bank continued to make progress against its stated objectives of growing the business and enhancing the client experience. Our challenge continues to be the efficient allocation of capital in support of client initiatives in these subdued economic conditions.

In April, we opened the doors of our first Banking Centre in Chaguanas, Trinidad. The state-of-the-art Banking Centre will provide a wide range of services to Platinum, Corporate and Business Banking clients. The new Centre expands our presence in Trinidad and allows us to provide enhanced branding opportunities, better surroundings with modern branch features for staff and clients.

We also continue to enhance and expand our Automated Banking Machine (ABM) network with recent installations in Cayman, The Bahamas and Jamaica. This initiative will provide more convenience and functionality for an increasingly demanding client base.

Less than a year after its launch, the Bank's mobile banking app has been named best in the region by International Finance Magazine (IFM) in its 2017 International Finance Awards. Our credit card product suite was also named best in the region for the variety of cards on offer, co-branding, loyalty programme, customer service and security. The International Finance Awards recognise organisations in the international finance industry and celebrates the highest standards of innovation and performance.

Lastly, the Bank was part of the lending syndicate that received the "North American Port Deal of the Year" award presented by IJ Global Magazine in its 2016 America Awards. The Bank was the only commercial bank that partnered with other institutions on the deal, reinforcing our experience and expertise in the Infrastructure Finance sector. The award ceremony took place in New York City on March 15th, 2017.

We again wish to thank our shareholders, clients and employees for their loyalty and continuing support during the second quarter of 2017.

Gary Brown
Chief Executive Officer
June 9th, 2017

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 (Barbados) Limited, please read FirstCaribbean International Bank (Barbados) Limited's financial and other reports that are available on the company's website at www.cibcfib.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited April 30, 2017	Unaudited April 30, 2016	Audited October 31, 2016
Assets			
Cash, balances with Central Banks and due from banks	2,595,300	1,935,270	1,998,582
Loans and advances to customers	6,240,456	5,997,397	6,212,267
Investment securities	2,172,446	2,355,671	2,202,593
Property and equipment	158,174	142,065	153,922
Other assets	211,835	214,527	179,340
Intangible assets	218,961	218,961	218,961
Total Assets	11,597,172	10,863,891	10,965,665
Liabilities			
Customer deposits and other borrowed funds	9,802,960	9,113,659	9,155,510
Other liabilities	183,314	229,224	236,465
Debt securities in issue	211,727	204,753	198,297
Total Liabilities	10,198,001	9,547,636	9,590,272
Equity attributable to equity holders of the parent			
Issued capital and reserves	952,364	923,804	950,087
Retained earnings	418,173	365,728	397,159
	1,370,537	1,289,532	1,347,246
Non-controlling interests	28,634	26,723	28,147
Total equity	1,399,171	1,316,255	1,375,393
Total liabilities and equity	11,597,172	10,863,891	10,965,665

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

Director

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	
Balance at October 31, 2015	1,193,149	(273,471)	434,925	25,998	1,380,601
Comprehensive income for the period	-	(7,251)	71,369	1,588	65,706
Transfer to reserves	-	11,377	(11,377)	-	-
Equity dividends	-	-	(129,189)	-	(129,189)
Dividends of subsidiaries	-	-	-	(863)	(863)
Balance at April 30, 2016	1,193,149	(269,345)	365,728	26,723	1,316,255
Balance at October 31, 2016	1,193,149	(243,062)	397,159	28,147	1,375,393
Comprehensive income for the period	-	(6,975)	69,114	1,350	63,489
Transfer to reserves	-	9,183	(9,183)	-	-
Acquisition of additional interest in subsidiary	-	69	-	-	69
Equity dividends	-	-	(38,917)	-	(38,917)
Dividends of subsidiaries	-	-	-	(863)	(863)
Balance at April 30, 2017	1,193,149	(240,785)	418,173	28,634	1,399,171

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016	October 31, 2016
Interest and similar income	108,721	107,456	215,857	215,698	431,574
Interest and similar expense	16,171	15,547	32,382	30,830	61,721
Net interest income	92,550	91,909	183,475	184,868	369,853
Operating income	38,782	40,122	81,139	85,342	163,927
	131,332	132,031	264,614	270,210	533,780
Operating expenses	90,399	89,708	182,398	180,130	357,440
Loan loss impairment	805	3,443	6,917	7,584	17,305
	91,204	93,151	189,315	187,714	374,745
Income before taxation	40,128	38,880	75,299	82,496	159,035
Income tax expense	2,966	4,575	4,365	9,502	15,699
Net income for the period	37,162	34,305	70,934	72,994	143,336
Attributable to:					
Equity holders of the parent	36,238	33,592	69,114	71,369	140,005
Non-controlling interests	924	713	1,820	1,625	3,331
	37,162	34,305	70,934	72,994	143,336
Basic and diluted earnings per share attributable to the equity holders of the parent for the period: (expressed in cents per share)	2.3	2.1	4.4	4.5	8.9

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017 (expressed in thousands of US Dollars)



FirstCaribbean
International Bank

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	April 30, 2017	April 30, 2016	April 30, 2017	April 30, 2016	October 31, 2016
Net income for the period	37,162	34,305	70,934	72,994	143,336
Other comprehensive (losses)/gains (net of tax) to be reclassified to net income in subsequent periods	(1,589)	3,854	(6,312)	(2,427)	5,619
Net (losses)/gains on available-for-sale investment securities	(935)	(2,693)	(1,133)	(4,861)	(13,334)
Exchange losses on translation of foreign operations	(2,524)	1,161	(7,445)	(7,288)	(7,715)
Other comprehensive income (net of tax) not to be reclassified to net income in subsequent periods:					
Re-measurement gains of retirement benefit obligations	-	-	-	-	21,149
Other comprehensive (loss)/income for the period, net of tax	(2,524)	1,161	(7,445)	(7,288)	13,434
Comprehensive income for the period, net of tax	34,638	35,466	63,489	65,706	156,770
Comprehensive income for the period attributable to:					
Equity holders of the parent	33,845	34,701	62,139	64,118	152,895
Non-controlling interests	793	765	1,350	1,588	3,875
	34,638	35,466	63,489	65,706	156,770

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended April 30, 2017	Audited Year ended October 31, 2016
Net cash from operating activities	574,277	160,298
Net cash from investing activities	34,243	172,666
Net cash used in financing activities	(30,454)	(180,159)
Net increase in cash and cash equivalents for the period	578,066	152,805
Effect of exchange rate changes on cash and cash equivalents	(1,133)	(13,334)
Cash and cash equivalents, beginning of the year	1,525,868	1,386,397
Cash and cash equivalents, end of the year	2,102,801	1,525,868

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited April 30, 2017				
	RBB	CIB	WM	ADMIN	Total
External revenues	103,137	105,045	18,442	37,990	264,614
Revenues from other segments	5,361	111	18,258	(23,730)	-
Total revenues	108,498	105,156	36,700	14,260	264,614
Segment results	(4,877)	38,583	13,279	28,314	75,299
Income tax expense					4,365
Net income for the period					70,934
Segment assets	2,461,872	3,351,658	58,618	5,469,733	11,341,881
Unallocated assets					255,291
Total assets					11,597,172
Segment liabilities	3,553,622	3,434,305	2,896,410	298,623	10,182,960
Unallocated liabilities					15,041
Total liabilities					10,198,001

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited April 30, 2016				
	RBB	CIB	WM	ADMIN	Total
External revenues	106,141	102,978	20,417	40,674	270,210
Revenues from other segments	6,400	3,670	15,919	(25,989)	-
Total revenues	112,541	106,648	36,336	14,685	270,210
Segment results	851	37,765	13,492	30,388	82,496
Income tax expense					9,502
Net income for the period					72,994
Segment assets	2,413,329	3,179,082	40,527	4,976,204	10,609,142
Unallocated assets					254,749
Total assets					10,863,891
Segment liabilities	3,509,037	3,145,622	2,551,389	330,766	9,536,814
Unallocated liabilities					10,822
Total liabilities					9,547,636
	Audited October 31, 2016				
	RBB	CIB	WM	ADMIN	Total
External revenues	206,743	206,250	40,311	80,476	533,780
Revenues from other segments	12,434	4,444	32,732	(49,610)	-
Total revenues	219,177	210,694	73,043	30,866	533,780
Segment results	(476)	72,607	24,916	61,988	159,035
Income tax expense					15,699
Net income for the period					143,336
Segment assets	2,428,642	3,336,040	43,772	4,903,535	10,711,989
Unallocated assets					253,676
Total assets					10,965,665
Segment liabilities	3,403,483	3,082,200	2,745,119	342,939	9,573,741
Unallocated liabilities					16,531
Total liabilities					9,590,272

Notes:

1. The Group's operations are organised into four segments, Retail & Business Banking ("RBB"), Corporate & Investment Banking ("CIB"), Wealth Management ("WM"), and Administration ("ADMIN"). Administration includes the functional groups (Audit, Treasury, Finance, Human Resources, Technology & Operations, Risk and Customer Relationship Management & Strategy). The expenses of the Administration segment are generally allocated to RBB, CIB and WM and also includes the allocation, credits and charges for liquidity, operational risk, credit risk and economic capital.

Effective November 1st, 2016, Wholesale Banking was changed to Corporate & Investment Banking to reflect the totality of offerings and better align with the corporate mission and strategy. Prior period disclosures are unaffected by this change.

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED 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 31st, 2016, included in the Group's Annual Report 2016. 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

The Directors have approved an interim dividend of two point five United States cents (\$0.025) per share to be paid on July 7th, 2017, to shareholders of record as of June 23rd, 2017.