FirstCaribbean International Bank Limited
Condensed Consolidated Financial Statements

For the six months ended 30 April, 2018 (expressed in thousands of United States dollars)

CIBC FirstCaribbean International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

We reported net income of $43.9 million for the second quarter of fiscal 2018, up $6.7 million or 18% from the second quarter's net income of $37.2 million a year ago. During the quarter, we continued to deliver strong core results across all three business segments by building a client-focused bank and, where possible, improving operational efficiencies. The regional economic outlook suggests moderate growth overall, but specific markets could face lower economic activity depending on the level of fiscal imbalance and sustainability of performance in key sectors.

For the six months ended April 30, 2018, we reported net income of $82.1 million, up $11.2 million or 16% compared to the same period last year.

Total revenue was $288.8 million, up $24.2 million or 9% from the six months ended April 30, 2017 due to the 3% growth in performing loans over last year in addition to the benefit from rising US interest rates. We also saw increases in several categories of operating income resulting in 6% growth over the same period last year.

Operating expenses of $191.8 million were up $9.4 million or 5% from the same period a year ago mainly as a result of higher salaries and benefits coupled with increased depreciation and related costs associated with technology investment. We continue efforts to simplify the client experience by providing various technology solutions, while closely managing controllable expenses.

Credit loss expense was $8.5 million, up $1.6 million or 23% from the same period last year. The increase was primarily driven by a higher allowance for impaired loans. However, credit loss expense has improved from the first quarter, down by $2.3 million or 43%. We early adopted International Financial Reporting Standards (IFRS) 9 on November 1, 2017, which resulted in changes to aspects of our credit loss methodology related to financial instruments. We continue to place significant emphasis on maintaining the credit quality of our loan portfolio. The level of non-performing loans is a key credit quality measure and has declined by $68 million or 18% from the prior year.

During the quarter, we paid a special dividend of twelve point seven cents ($0.127) per share as part of our effort to enhance shareholder returns through capital deployment. We still maintain strong capital levels in excess of applicable regulatory requirements and at the end of the quarter Tier 1 and Total Capital ratios were 15% and 16% respectively. The Directors have approved a regular, interim dividend of two point five cents ($0.025) per share to be paid on July 6, 2018 to shareholders of record as of June 22, 2018.

Additionally, The Board of Directors has decided to change its dividend payment policy to pay dividends quarterly instead of bi-annually. The change is expected to take effect from the third quarter of fiscal 2018.

On April 19th, 2018, we announced the withdrawal of the US registered public offering and listing of shares on the New York Stock Exchange (NYSE) in view of the market conditions at the time. We remain fully committed to operating a strong bank with continued investment in our brand and infrastructure to offer clients a simplified, modern banking experience.

On June 1, 2018, the Government of Barbados (GOB) announced that payments due on debts owed to external commercial creditors will be suspended and domestic creditors will be asked to rollover principal maturities; however the GOB will endeavor to make scheduled domestic interest payments until restructuring agreements are concluded. The Bank is a domestic creditor and an external commercial creditor. The proposals outlined are likely to have an adverse impact on the credit quality of the Bank's asset exposure to GOB debt on the financial statements. While our Q2/18 expected credit loss allowances reflected our expectations for a government debt restructuring under a range of scenarios, we will update these allowances in Q3/18 to reflect the June 1 announcement and additional clarity that may be obtained in the coming weeks. We will continue to closely monitor the situation and work with key stakeholders until the restructuring agreements are concluded.

I would like to thank our shareholders, clients and employees for their continued support.

Gary Brown
Chief Executive Oficer
June 7, 2018

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.cibcfcib.com

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (USD'000)

	Unaudited Apr 30, 2018	Unaudited Apr 30, 2017	Audited Oct 31, 2017
Assets			
Cash, balances with Central Banks and due from banks	2,502,245	2,595,300	2,933,477
Loans and advances to customers	6,386,195	6,240,456	6,358,000
Investment securities	2,299,424	2,172,446	2,375,641
Property and equipment	158,727	158,174	158,661
Other assets	226,861	211,835	206,429
Intangible assets	218,961	218,961	218,961
Total assets	11,792,413	11,597,172	12,251,169
Liabilities			
Customer deposits and other borrowed funds	10,253,698	9,802,960	10,371,531
Other liabilities	185,029	183,314	224,427
Debt securities in issue	116,744	211,727	213,001
Total liabilities	10,555,471	10,198,001	10,808,959
Equity attributable to equity holders of the parent			
Issued capital and reserves	1,001,298	952,364	967,014
Retained earnings	205,185	418,173	445,507
	1,206,483	1,370,537	1,412,521
Non-controlling interests	30,459	28,634	29,689
Total equity	1,236,942	1,399,171	1,442,210
Total liabilities and equity	11,792,413	11,597,172	12,251,169

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

Director

Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (USD'000)

	Attributable to equity holders of the Parent				
	Issued Capital	Reserves	Retained Earnings	Non-controlling Interests	Total Equity
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)	-	-
Aquisition 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
Balance at October 31, 2017	1,193,149	(226,135)	445,507	29,689	1,442,210
Impact of adopting IFRS 9 at Nov 1, 2017 (Note 1)	-	37,288	(75,013)	(258)	(37,983)
Restated balance at November 1, 2017 after adopting IFRS 9	1,193,149	(188,847)	370,494	29,431	1,404,227
Comprehensive income for the period	-	(11,725)	79,919	2,006	70,200
Transfer to reserves	-	8,721	(8,721)	-	-
Equity dividends	-	-	(236,507)	-	(236,507)
Dividends of subsidiaries	-	-	-	(978)	(978)
Balance at April 30, 2018	1,193,149	(191,851)	205,185	30,459	1,236,942

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME (USD'000)

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	Apr 30, 2018	Apr 30, 2017	Apr 30, 2018	Apr 30, 2017	Oct 31, 2017
Interest and similar income	116,962	108,721	233,674	215,857	443,673
Interest and similar expense	14,968	16,171	31,176	32,382	64,394
Net interest income	101,994	92,550	202,498	183,475	379,279
Operating income	43,405	38,782	86,334	81,139	168,094
	145,399	131,332	288,832	264,614	547,373
Operating expenses	95,525	90,399	191,783	182,398	372,079
Credit loss expense on financial assets	3,090	805	8,478	6,917	24,459
	98,615	91,204	200,261	189,315	396,538
Income before taxation	46,784	40,128	88,571	75,299	150,835
Income tax expense	2,929	2,966	6,480	4,365	9,311
Net income for the period	43,855	37,162	82,091	70,934	141,524
Attributable to:					
Equity holders of the parent	42,772	36,238	79,919	69,114	137,851
Non-controlling interests	1,083	924	2,172	1,820	3,673
	43,855	37,162	82,091	70,934	141,524
Basic and diluted earnings per share attributable to the equity holders of the parent for the period: (expressed in cents per share)	2.7	2.3	5.1	4.4	8.7

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 30 April, 2018 (expressed in thousands of United States dollars)

CIBC FirstCaribbean International Bank

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (USD'000)

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	Apr 30, 2018	Apr 30, 2017	Apr 30, 2018	Apr 30, 2017	Oct 31, 2017
Net income for the period	43,855	37,162	82,091	70,934	141,524
Other comprehensive losses (net of tax) to be reclassified to net income in subsequent periods					
Net losses on available-for-sale investment securities	(4,031)	(1,589)	(11,456)	(6,312)	(1,384)
Credit losses on available-for-sale investment securities	(940)	-	(1,041)	-	-
Net exchange gains/(losses) on translation of foreign operations	281	(935)	1,967	(1,133)	1,165
	(4,690)	(2,524)	(10,530)	(7,445)	(219)
Other comprehensive (losses)/income (net of tax) not to be reclassified to net income in subsequent periods:					
Re-measurement (losses)/gains of retirement benefit obligations	-	-	(1,361)	-	5,286
Other comprehensive (losses)/income for the period, net of tax	(4,690)	(2,524)	(11,891)	(7,445)	5,067
Comprehensive income for the period, net of tax	39,165	34,638	70,200	63,489	146,591
Comprehensive income for the period attributable to:					
Equity holders of the parent	38,073	33,845	68,194	62,139	143,041
Non-controlling interests	1,092	793	2,006	1,350	3,550
	39,165	34,638	70,200	63,489	146,591

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (USD'000)

	Unaudited Six months ended Apr 30, 2018	Audited Year ended Oct 31, 2017
Net cash (used in)/from operating activities	(424,204)	1,206,080
Net cash from/(used in) investing activities	85,630	(147,259)
Net cash used in financing activities	(336,723)	(73,259)
Net (decrease)/increase in cash and cash equivalents for the period	(675,297)	985,562
Effect of exchange rate changes on cash and cash equivalents	1,967	1,165
Cash and cash equivalents, beginning of the period	2,512,595	1,525,868
Cash and cash equivalents, end of the period	1,839,265	2,512,595

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

CONDENSED CONSOLIDATED SEGMENT INFORMATION (USD'000)

Unaudited April 30, 2018

	RBB	CIB	WM	Admin	Total
External revenue	75,378	85,264	(5,173)	47,029	202,498
Internal revenue	8,698	1,084	27,491	(37,273)	-
Net interest income	84,076	86,348	22,318	9,756	202,498
Operating income	38,807	23,924	22,784	819	86,334
	122,883	110,272	45,102	10,575	288,832
Depreciation	4,363	508	411	6,086	11,368
Operating expenses	45,620	12,566	16,234	105,995	180,415
Indirect expenses	56,456	39,071	15,508	(111,035)	-
Credit loss expense on financial assets	3,971	5,550	-	(1,043)	8,478
Income before taxation	12,473	52,577	12,949	10,572	88,571
Income tax expense	(2,741)	6,173	(386)	3,434	6,480
Net income for the period	15,214	46,404	13,335	7,138	82,091
Total assets and liabilities by segment are as follows:					
Segment assets	2,543,184	3,415,812	85,313	5,748,104	11,792,413
Segment liabilities	3,735,938	3,561,559	3,074,958	183,016	10,555,471

CONDENSED CONSOLIDATED SEGMENT INFORMATION *Continued* (USD'000)

Unaudited April 30, 2017

	RBB	CIB	WM	Admin	Total
External revenue	70,420	81,345	(3,693)	35,403	183,475
Internal revenue	5,890	3,442	19,185	(28,517)	-
Net interest income	76,310	84,787	15,492	6,886	183,475
Operating income	32,718	23,700	22,135	2,586	81,139
	109,028	108,487	37,627	9,472	264,614
Depreciation	3,675	298	497	5,568	10,038
Operating expenses	46,096	12,832	14,917	98,515	172,360
Indirect expenses	44,443	44,548	15,092	(104,083)	-
Credit loss expense on financial assets	6,555	181	181	-	6,917
Income before taxation	8,259	50,628	6,940	9,472	75,299
Income tax expense	44	8,200	(400)	(3,479)	4,365
Net income for the period	8,215	42,428	7,340	12,951	70,934
Total assets and liabilities by segment are as follows:					
Segment assets	2,479,995	3,354,476	58,618	5,704,083	11,597,172
Segment liabilities	3,553,344	3,434,659	2,896,522	313,476	10,198,001

Audited October 31, 2017

	RBB	CIB	WM	Admin	Total
External revenue	145,541	166,565	(8,640)	75,813	379,279
Internal revenue	16,043	6,694	42,206	(64,943)	-
Net interest income	161,584	173,259	33,566	10,870	379,279
Operating income	66,360	46,037	46,699	8,998	168,094
	227,944	219,296	80,265	19,868	547,373
Depreciation	8,882	790	830	12,475	22,977
Operating expenses	90,266	26,684	30,848	201,304	349,102
Indirect expenses	92,280	88,169	29,832	(210,281)	-
Credit loss expense on financial assets	18,772	5,556	131	-	24,459
Income before taxation	17,744	98,097	18,624	16,370	150,835
Income tax expense	433	9,304	(469)	43	9,311
Net income for the year	17,311	88,793	19,093	16,327	141,524
Total assets and liabilities by segment are as follows:					
Segment assets	2,522,237	3,391,375	59,122	6,278,435	12,251,169
Segment liabilities	3,554,978	3,254,272	3,649,710	349,999	10,808,959

Notes:
1. The Group's operations are organized 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). The Administration segment results include credits or capital charges for Treasury market-based cost of funds on assets, liabilities and capital; the offset of the same for RBB, CIB, and WM earnings unattributed capital remains in Administration.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and 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, 2017, included in the Group's Annual Report 2017. 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.

Current period changes in accounting policies
The Group adopted IFRS 9 "Financial Instruments" (IFRS 9) in place of IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39) in the first quarter of 2018 in keeping with its parent CIBC, who early adopted to comply with OSFI's advisory that requires that domestic systemically important banks (D-SIBs) adopt IFRS 9 for their annual periods beginning on November 1, 2017, one year earlier than required by the IASB. IFRS 9 was applied on a retrospective basis. As permitted, the prior period comparative consolidated financial statements, which are reported under IAS 39 were not restated and are therefore not comparable to the information presented for 2018. The adoption of IFRS 9 in the first quarter of 2018 resulted in changes in accounting policy in two principal areas, classification and measurement and impairment. We have elected, as a policy choice permitted under IFRS 9, to continue to apply the hedge accounting requirements of IAS 39.

Dividends
During the quarter, the Board of Directors approved a special dividend of twelve point seven United States cents ($0.127) per share. This dividend was paid on April 27, 2018 to shareholders of record on April 4, 2018. The Directors have also approved an interim regular dividend of two point five United States cents ($0.025) per share to be paid on July 6, 2018 to shareholders of record as of June 22, 2018.

2. Subsequent events
On June 1, 2018, the Government of Barbados (GOB) announced that payments due on debts owed to external commercial creditors will be suspended and domestic creditors will be asked to rollover principal maturities; however the GOB will endeavor to make scheduled domestic interest payments until restructuring agreements are concluded.

The Bank is a domestic creditor and an external commercial creditor. The proposals outlined are likely to have an adverse impact on the credit quality of the Bank's asset exposure to GOB debt on the financial statements. While our Q2/18 expected credit loss allowances reflected our expectations for a government debt restructuring under a range of scenarios, we will update these allowances in Q3/18 to reflect the June 1 announcement and additional clarity that may be obtained in the coming weeks.