

FirstCaribbean International Bank Limited

Summary Consolidated Financial Statements

For the year ended 31 October, 2019 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

For the fiscal year ended October 31, 2019, the Bank reported net income of \$170.5 million, up \$69.7 million or 69%, a significant increase from last year's net income of \$100.8 million.

Our earnings were driven by the solid growth in our performing loan book. Credit loss expense was improved as the Bank benefited from model enhancements and changes to assumptions due to lower probability of defaults. This was offset by increased taxation and higher operating expenses.

The Board of Directors approved a final quarterly dividend of \$0.0125 per share, bringing the total dividend to \$0.05 per share for the year. The dividends will be paid on January 24, 2020 to shareholders of record as at December 27, 2019.

The Bank's Tier 1 and Total Capital ratios remain strong at 14.5% and 16.2%, well in excess of applicable regulatory requirements.

On November 8, 2019, CIBC announced its intention to sell part of its shareholding in FirstCaribbean International Bank Ltd. to GNB Financial Group Limited ("GNB"), a company which is ultimately owned by Jaime Gilinski. This transaction remains subject to regulatory approval. On closing of the transaction, GNB will become FirstCaribbean's majority shareholder owning 66.73% of our shares while CIBC will retain a 24.9% interest.

This is an exciting development for FirstCaribbean. It creates a platform for the future growth of our Bank and allows us to retain and celebrate our heritage while building our future.

I wish to place on record my sincerest gratitude to our clients, employees, shareholders and directors for their continued support and loyalty.

Colette Delaney
Chief Executive Officer
December 10, 2019

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 October 2019, the summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended and related notes, are derived from the complete audited consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries (the "Group") for the year ended 31 October 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 10 December 2019. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Note 1.

Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

BARBADOS
10 December 2019

Note 1

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries for the year ended 31 October 2019, which are prepared in accordance with International Financial Reporting Standards.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Year ended October 31, 2019	Audited Year ended October 31, 2018
Assets		
Cash, balances with Central Banks and due from banks	2,267,264	2,085,622
Loans and advances to customers	6,145,062	5,904,651
Securities	2,566,791	2,384,473
Property and equipment	171,945	165,806
Other assets	191,483	236,487
Intangible assets	218,961	218,961
Total assets	11,561,506	10,996,000
Liabilities		
Customer deposits and other borrowed funds	10,026,455	9,536,530
Other liabilities	188,231	215,758
Debt securities in issue	89,806	90,918
Total liabilities	10,304,492	9,843,206
Equity attributable to equity holders of the parent		
Issued capital and reserves	1,001,487	951,834
Retained earnings	224,383	173,117
	1,225,870	1,124,951
Non-controlling interests	31,144	27,843
Total equity	1,257,014	1,152,794
Total liabilities and equity	11,561,506	10,996,000

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

Colette Delaney
Chief Executive Officer

Chris de Caires
Director

SUMMARY 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 November 1, 2017	1,193,149	(189,383)	373,449	29,039	1,406,254
Comprehensive income for the year	-	(54,120)	96,741	3,866	46,487
Transfer to reserves	-	2,188	(2,188)	-	-
Equity dividends	-	-	(294,885)	-	(294,885)
Dividends of subsidiaries	-	-	-	(5,062)	(5,062)
Balance at October 31, 2018	1,193,149	(241,315)	173,117	27,843	1,152,794
Comprehensive income for the year	-	37,526	165,991	5,371	208,888
Transfer to reserves	-	12,127	(12,127)	-	-
Equity dividends	-	-	(102,598)	-	(102,598)
Dividends of subsidiaries	-	-	-	(2,070)	(2,070)
Balance at October 31, 2019	1,193,149	(191,662)	224,383	31,144	1,257,014

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

FirstCaribbean International Bank Limited

Summary Consolidated Financial Statements

For the year ended 31 October, 2019 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Audited Year ended October 31, 2019	Audited Year ended October 31, 2018
Total revenue	616,059	581,419
Operating expenses	400,423	383,390
Credit loss expense on financial assets	3,635	101,770
	<u>404,058</u>	<u>485,160</u>
Income before taxation	212,001	96,259
Income tax expense/(credit)	41,494	(4,553)
Net income for the year	<u>170,507</u>	<u>100,812</u>
Attributable to:		
Equity holders of the parent	165,991	96,741
Non-controlling interests	4,516	4,071
	<u>170,507</u>	<u>100,812</u>

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

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended October 31, 2019	Audited Year ended October 31, 2018
Net income for the year	170,507	100,812
Other comprehensive income/(loss) (net of tax) to be reclassified to net income in subsequent periods		
Net gains/(losses) on debt securities at fair value through OCI	31,520	(39,108)
Net exchange (losses)/gains on translation of foreign operations	(7,255)	146
	<u>24,265</u>	<u>(38,962)</u>
Other comprehensive income/(loss) (net of tax) not to be reclassified to net income in subsequent periods:		
Re-measurement gains/(losses) of retirement benefit obligations	14,116	(15,363)
Other comprehensive income/(loss) for the year, net of tax	<u>38,381</u>	<u>(54,325)</u>
Comprehensive income for the year, net of tax	<u>208,888</u>	<u>46,487</u>
Comprehensive income for the year attributable to:		
Equity holders of the parent	203,517	42,621
Non-controlling interests	5,371	3,866
	<u>208,888</u>	<u>46,487</u>

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

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Year ended October 31, 2019	Audited Year ended October 31, 2018
Net cash from/(used in) operating activities	418,765	(401,122)
Net cash (used in)/from investing activities	(96,912)	1,158
Net cash used in financing activities	(110,115)	(428,700)
Net increase/(decrease) in cash and cash equivalents for the year	211,738	(828,664)
Effect of exchange rate changes on cash and cash equivalents	(7,255)	146
Cash and cash equivalents, beginning of the year	1,684,077	2,512,595
Cash and cash equivalents, end of the year	<u>1,888,560</u>	<u>1,684,077</u>

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

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of FirstCaribbean International Bank Limited and its subsidiaries for the year ended 31 October 2019, which are prepared in accordance with International Financial Reporting Standards. The Group's Annual Report is posted on our website (www.cibcfib.com).