

FirstCaribbean International Bank (Bahamas) Limited Managing Director's Review Of the Results For the six months ended April 30, 2021

The Bank reported net income of \$38.2 million for the six months ended April 30, 2021, \$35.2 million higher than for the same period a year ago. The primary driver of the year over year increase is the lower provisions for credit losses, offset by lower revenue as a result of the low interest rate environment.

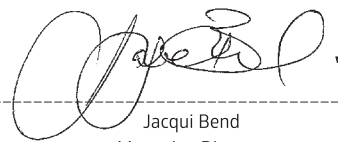
The COVID-19 pandemic continues to have an adverse impact on the near-term economic outlook for the regional economy. Restrictions imposed by governments to limit the impact of the virus, such as travel restrictions, physical distancing measures and the closure of certain businesses, continue to disrupt markets; and will limit the scope and pace of the economic recovery until effective vaccine programs are widely in place.

The Bank continues to execute its strategy to provide our clients with a modern, digital experience, simplifying the way in which we do business, while also positioning the Bank for client-focused growth. Additionally, we continue to monitor the Bank's financial performance along with market conditions.

At its meeting on June 15, 2021, the Directors approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval. The Bank's Tier 1 and Total Capital ratios are 25.3% and 25.4% respectively, which is in excess of the regulatory requirements.

As the new Managing Director, I could not have asked for a better foundation or a better welcome from my colleagues. I look forward to your support and working closely with you to ensure that the Bank continues to execute its strategy and provide good returns to its shareholders.

I want to thank our employees, clients, directors and shareholders for their loyalty, continuing support and commitment to the Bank.



Jacqui Bend
Managing Director

*Adjusting equity for the impact of dividends declared but not paid, for which regulatory approval remains pending, the Tier 1 and Total Capital ratios would be 22.6% and 22.7%, respectively.

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 the Bank has significant operations or assets, which could, among other things, materially impact credit quality trends and the Bank's 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. The Bank does 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 Bank's website at www.cibcfib.com.

Condensed Consolidated Statement of Financial Position B\$'000

	Unaudited Apr 30, 2021	Unaudited Apr 30, 2020	Audited Oct 31, 2020
Assets			
Cash, balances with the Central Bank and due from banks	886,651	808,524	606,282
Other assets	58,495	43,570	53,585
Securities	831,010	912,483	917,925
Loans and advances to customers	2,041,950	2,038,706	2,031,739
Property and equipment	43,083	46,120	45,400
Goodwill	-	72,747	-
Total assets	3,861,189	3,922,150	3,654,931
Liabilities			
Customer deposits	3,155,980	3,166,366	2,953,593
Other liabilities	93,771	92,413	81,523
Total liabilities	3,249,751	3,258,779	3,035,116
Equity			
Issued capital	477,230	477,230	477,230
Reserves	45,204	25,225	48,159
Retained earnings	89,004	160,916	94,426
Total equity	611,438	663,371	619,815
Total liabilities and equity	3,861,189	3,922,150	3,654,931




Condensed Consolidated Statement of Income/(Loss) B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2021	Apr 30, 2020	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Total interest income	35,971	38,961	72,240	80,379	153,804
Total interest expense	1,359	2,728	2,726	5,860	9,665
Net interest income	34,612	36,233	69,514	74,519	144,139
Operating income	11,720	10,095	22,708	25,426	46,874
Total revenue	46,332	46,328	92,222	99,945	191,013
Operating expenses	27,404	29,601	52,561	57,759	111,782
Credit loss (reversal)/expense on financial assets	(3,094)	37,750	1,511	39,238	70,027
Impairment of goodwill	-	-	-	-	72,747
	24,310	67,351	54,072	96,997	254,556
Net income/(loss) for the period	22,022	(21,023)	38,150	2,948	(63,543)
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/(loss) per share (in cents)	18.3	(17.5)	31.7	2.5	(52.9)

Condensed Consolidated Statement of Comprehensive Income/(Loss) B\$'000

	Unaudited Three Months Ended		Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2021	Apr 30, 2020	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Net income/(loss) for the period	22,022	(21,023)	38,150	2,948	(63,543)
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods					
Net (losses)/gains on debt securities at fair value through OCI	(1,419)	(3,059)	(3,249)	(1,840)	6,494
	(1,419)	(3,059)	(3,249)	(1,840)	6,494
Other comprehensive income/(loss) not to be reclassified to net income in subsequent periods					
Re-measurement gains on retirement benefit plans	-	-	-	-	14,600
	-	-	-	-	14,600
Other comprehensive (loss)/income for the period	(1,419)	(3,059)	(3,249)	(1,840)	21,094
Comprehensive income/(loss) for the period	20,603	(24,082)	34,901	1,108	(42,449)

Condensed Consolidated Statement of Changes in Equity B\$'000

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2019	477,230	19,810	226,532	723,572
Net income for the period	-	-	2,948	2,948
Other comprehensive loss for the period	-	(1,840)	-	(1,840)
Total comprehensive income	-	(1,840)	2,948	1,108
Dividends	-	-	(61,309)	(61,309)
Transfer to Statutory Reserve Fund - TCI	-	7,255	(7,255)	-
Balance at April 30, 2020	477,230	25,225	160,916	663,371
Balance at October 31, 2020	477,230	48,159	94,426	619,815
Net income for the period	-	-	38,150	38,150
Other comprehensive loss for the period	-	(3,249)	-	(3,249)
Total comprehensive income	-	(3,249)	38,150	34,901
Dividends	-	-	(43,278)	(43,278)
Transfer to Statutory Reserve Fund - TCI	-	294	(294)	-
Balance at April 30, 2021	477,230	45,204	89,004	611,438

Condensed Consolidated Statement of Cash Flows B\$'000

	Unaudited Six Months Ended		Audited Year Ended
	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Net cash from operating activities	238,155	244,602	30,503
Net cash from investing activities	92,146	13,806	45,572
Net cash used in financing activities	(22,055)	(51,516)	(71,302)
Net increase in cash and cash equivalents	308,246	206,892	4,773
Cash and cash equivalents, beginning of the period	517,778	513,005	513,005
Cash and cash equivalents, end of the period	826,024	719,897	517,778

Notes to the Condensed Consolidated Financial Statements April 30, 2021

1. Basis of preparation and 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, 2020, included in the Bank's Annual Report 2020. 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.
- FirstCaribbean International (Bahamas) Nominees Company Limited
- FirstCaribbean International Land Holdings (TCI) Limited

Dividends

The Directors previously declared dividends totaling \$0.51 (fifty-one cents) per share, which are not reflected in these unaudited condensed consolidated financial statements as they are subject to regulatory approvals and are pending the Central Bank's approval.

Condensed Consolidated Segment Information B\$'000

	Unaudited April 30, 2021				
	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	33,325	25,323	361	10,505	69,514
Internal revenue	(3,809)	6,315	2,853	(5,359)	-
Net interest income	29,516	31,638	3,214	5,146	69,514
Operating income	12,131	8,927	2,082	(432)	22,708
Total revenue	41,647	40,565	5,296	4,714	92,222
Depreciation	683	6	28	3,193	3,910
Operating expenses	11,811	2,778	1,056	33,006	48,651
Indirect expenses	16,046	13,764	6,701	(36,511)	-
Credit loss expense on financial assets	2,747	59	(205)	(1,090)	1,511
Net income/(loss) for the period	10,360	23,958	(2,284)	6,116	38,150
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,064,011	965,898	26,644	1,804,636	3,861,189
Segment liabilities	1,389,526	1,231,679	660,891	(32,345)	3,249,751

	Unaudited April 30, 2020				
	RBB	CIB	WM	Admin	Total
Six Months Ended					
External revenue	35,353	24,047	(267)	15,386	74,519
Internal revenue	(2,947)	8,246	6,140	(11,439)	-
Net interest income	32,406	32,293	5,873	3,947	74,519
Operating income	12,138	11,678	2,215	(605)	25,426
Total revenue	44,544	43,971	8,088	3,342	99,945
Depreciation	1,043	9	31	2,930	4,013
Operating expenses	13,307	2,602	1,098	36,739	53,746
Indirect expenses	15,036	15,618	8,062	(38,716)	-
Credit loss expense on financial assets	22,984	13,986	58	2,210	39,238
Net (loss)/income for the period	(7,826)	11,756	(1,161)	179	2,948
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,069,864	957,278	22,118	1,872,890	3,922,150
Segment liabilities	1,310,834	1,331,553	576,989	39,403	3,258,779

	Audited Year Ended October 31, 2020				
	RBB	CIB	WM	Admin	Total
Year Ended					
External revenue	69,787	47,679	(190)	26,863	144,139
Internal revenue	(6,188)	18,265	10,391	(22,468)	-
Net interest income	63,599	65,944	10,201	4,395	144,139
Operating income	24,307	19,520	4,034	(987)	46,874
Total revenue	87,906	85,464	14,235	3,408	191,013
Depreciation	1,779	17	60	6,019	7,875
Operating expenses	24,941	5,339	2,409	71,218	103,907
Indirect expenses	29,464	29,243	15,734	(74,441)	-
Credit loss expense on financial assets	50,381	15,667	712	3,267	70,027
Impairment of goodwill	-	-	-	72,747	72,747
Net (loss)/income for the year	(18,659)	35,198	(4,680)	(75,402)	(63,543)

Balance as at

Total assets and liabilities by segment are as follows:					
Segment assets	1,053,118	964,290	24,649	1,612,874	3,654,931
Segment liabilities	1,295,545	1,191,684	568,776	(20,889)	3,035,116

Notes:

The Bank's operations are organised into four segments: Retail, Business and International 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, Human Resources, Technology & Operations, Risk and Other). RBB, CIB and WM are charged or credited by Treasury with a market-based cost of funds on assets, liabilities and capital, respectively. The offset of these charges or credits are reported in the Treasury function within the Admin segment. Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. We review our transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices. Transactions between the business segments are on normal commercial terms and conditions. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position. Securities and cash placements are normally held within the Treasury unit within the Admin segment.