



**FirstCaribbean International Bank (Bahamas) Limited**  
**Managing Director's Review Of the Results**  
**For the year ended October 31, 2021**

The Bank delivered a resilient financial performance in fiscal 2021 amidst the continuing challenges from the COVID-19 pandemic and continuing uncertain economic conditions. We continue to be well positioned to deliver on our strategic objectives, staying focused on the client experience, digital transformation and improving operational efficiency with meaningful investments in our systems and people.

For the year ended October 31, 2021, the Bank reported net income of \$82.2 million, up \$73.0 million over the prior year's adjusted net income<sup>1</sup> of \$9.2 million. Improvement in our performance was mainly due to significantly lower credit loss provisions and a rebound in origination activity. However, we continued to operate in a low interest rate environment.

The Bank's Tier 1 and Total Capital ratios, which are both at 23.4%, remain strong and are in excess of the regulatory requirements. We are pleased to announce that the Board of Directors, at its meeting on December 16, 2021, approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

As I close out my first fiscal year as the Bank's Managing Director, I wish to say a heartfelt 'Thank-you' to our employees, shareholders, directors and clients for their loyalty and continuing support.

Jacqui Bend  
Managing Director

<sup>1</sup> Prior year reported net income was adjusted for goodwill impairment charge of \$72.7MM

**Condensed Consolidated Statement of Financial Position**  
**B\$'000**

	Unaudited Oct 31, 2021	Audited Oct 31, 2020
<b>Assets</b>		
Cash, balances with The Central Bank and due from banks	814,522	606,282
Securities	918,420	917,925
Loans and advances to customers	2,124,785	2,031,739
Property and equipment	40,493	45,400
Other assets	81,962	53,585
<b>Total assets</b>	<b>3,980,182</b>	<b>3,654,931</b>
<b>Liabilities</b>		
Customer deposits	3,281,731	2,953,593
Other liabilities	84,068	81,523
<b>Total liabilities</b>	<b>3,365,799</b>	<b>3,035,116</b>
<b>Equity</b>		
Issued capital	477,230	477,230
Reserves	76,246	48,159
Retained earnings	60,907	94,426
<b>Total equity</b>	<b>614,383</b>	<b>619,815</b>
<b>Total liabilities and equity</b>	<b>3,980,182</b>	<b>3,654,931</b>

Director

Director

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

	Unaudited Three Months Ended		Unaudited Year Ended	Audited Year Ended
	Oct 31, 2021	Oct 31, 2020	Oct 31, 2021	Oct 31, 2020
Total interest income	34,550	36,725	142,288	153,804
Total interest expense	1,257	1,752	5,293	9,665
Net interest income	33,293	34,973	136,995	144,139
Operating income	12,216	10,747	47,128	46,874
Total revenue	45,509	45,720	184,123	191,013
Operating expenses	26,341	27,312	107,466	111,782
Credit loss (reversal)/expense on financial assets	(5,254)	19,927	(5,526)	70,027
Impairment of goodwill	-	72,747	-	72,747
	21,087	119,986	101,940	254,556
<b>Net income/(loss) for the period</b>	<b>24,422</b>	<b>(74,266)</b>	<b>82,183</b>	<b>(63,543)</b>
Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204	120,216,204
Net earnings/(loss) per share (in cents)	20.3	(61.8)	68.4	(52.9)

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

	Unaudited Three Months Ended		Unaudited Year Ended	Audited Year Ended
	Oct 31, 2021	Oct 31, 2020	Oct 31, 2021	Oct 31, 2020
Net income/(loss) for the period	24,422	(74,266)	82,183	(63,543)
<b>Other comprehensive (loss)/income to be reclassified to net income in subsequent periods:</b>				
Net (losses)/gains on debt securities at fair value through OCI	(1,001)	70	(3,310)	6,494
	(1,001)	70	(3,310)	6,494
<b>Other comprehensive income not to be reclassified to net income in subsequent periods:</b>				
Re-measurement gains on retirement benefit plans	31,103	14,600	31,103	14,600
	31,103	14,600	31,103	14,600
<b>Other comprehensive income for the period</b>	<b>30,102</b>	<b>14,670</b>	<b>27,793</b>	<b>21,094</b>
<b>Comprehensive income/(loss) for the period</b>	<b>54,524</b>	<b>(59,596)</b>	<b>109,976</b>	<b>(42,449)</b>

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

	Issued Capital	Reserves	Retained Earnings	Total
<b>Balance at October 31, 2019</b>	477,230	19,810	226,532	723,572
Comprehensive loss for the year	-	21,094	(63,543)	(42,449)
Dividends	-	-	(61,308)	(61,308)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	7,255	(7,255)	-
<b>Balance at October 31, 2020</b>	477,230	48,159	94,426	619,815
Comprehensive income for the year	-	27,793	82,183	109,976
Dividends	-	-	(115,408)	(115,408)
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	294	(294)	-
<b>Balance at October 31, 2021</b>	477,230	76,246	60,907	614,383

**Condensed Consolidated Statement of Cash Flows**  
**B\$'000**

	Unaudited Year Ended October 31, 2021	Audited Year Ended October 31, 2020
Net cash from operating activities	295,076	30,503
Net cash from investing activities	7,947	45,572
Net cash used in financing activities	(93,234)	(71,302)
Net increase in cash and cash equivalents	209,789	4,773
Cash and cash equivalents, beginning of the year	517,778	513,005
Cash and cash equivalents, end of the year	727,567	517,778

**Notes to the Condensed Consolidated Financial Statements**  
October 31, 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, 2021, included in the Bank's Annual Report 2021. 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 consolidated unaudited financial statements as of October 31, 2021 reflect all dividends for which regulatory approval was received during the fiscal period. There are no dividends declared and pending regulatory approval at October 31, 2021.

**Condensed Consolidated Segment Information**  
**B\$'000**

	Unaudited Year Ended October 31, 2021				Total
	RBB	CIB	WM	Admin	
External revenue	66,494	50,677	690	19,134	136,995
Internal revenue	(4,328)	11,933	5,222	(12,827)	-
Net interest income	62,166	62,610	5,912	6,307	136,995
Operating income	25,379	19,061	4,169	(1,481)	47,128
	87,545	81,671	10,081	4,826	184,123
Depreciation	1,432	12	57	6,337	7,838
Operating expenses	22,899	6,106	2,439	68,184	99,628
Indirect expenses	31,862	27,819	12,875	(72,556)	-
Credit loss (reversal)/expense on financial assets	(1,017)	(5,036)	(179)	706	(5,526)
<b>Net income/(loss) for the year</b>	<b>32,369</b>	<b>52,770</b>	<b>(5,111)</b>	<b>2,155</b>	<b>82,183</b>

**Total assets and liabilities by segment are as follows:**

Segment assets	1,094,958	1,035,442	27,046	1,822,736	3,980,182
Segment liabilities	1,411,683	1,265,193	656,140	32,783	3,365,799

	Audited Year Ended October 31, 2020				Total
	RBB	CIB	WM	Admin	
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
	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
<b>Net (loss)/income for the year</b>	<b>(18,659)</b>	<b>35,198</b>	<b>(4,680)</b>	<b>(75,402)</b>	<b>(63,543)</b>

**Total assets and liabilities by segment are as follows:**

Segment assets	1,073,710	964,563	24,648	1,592,010	3,654,931
Segment liabilities	1,316,138	1,191,957	568,776	(41,755)	3,035,116

**Notes:**

The Bank'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 Admin 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 on unattributed capital remains in Admin. Capital is attributed to RBB, CIB and WM (Strategic Business Units or "SBU") in a manner that is intended to measure and align economic value with the underlying benefits and risks associated with SBU activities. Management reviews the transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices.