



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review Of the Results
For the three months ended January 31, 2023

The Bank delivered solid results in the first quarter reporting net income of \$28.6 million, up \$16.4 million from the first quarter's net income of \$12.2 million a year ago.

The uplift in financial performance can largely be attributed to higher US interest rates. The ongoing economic recovery across most of the Bank's operating footprint has also contributed positively to our performance. However, operating expenses of \$34.1 million were up from the first quarter a year ago due to ongoing strategic initiatives, employee-related costs, and the effects of inflation. Credit losses were down from the same quarter last year due to a higher level of releases where the Bank continues to maintain strong risk management and credit quality across all its portfolios.

We anticipate a slower pace of global economic growth for 2023 vs. 2022, which will have spillover impacts in terms of tourism and foreign direct investment. However, we expect to see some easing of conditions towards the end of the fiscal as inflation cools and prices stabilize.

In an economic environment that remains fluid, the Bank continues to make steady progress in executing its client-focused strategy. Our investment in digital transformation is providing us with strong momentum to serve our clients better, while offering best-in-class products and services. This was recently recognised when FirstCaribbean International Bank (the parent) was named the "Best Digital Transformation Bank 2022" by The European, a London based global publication who expertly covers a broad spectrum of business affairs, including digital banking.

At the end of the first quarter, the Bank's Tier 1 and Total Capital ratios remain strong at 26.0%, in excess of applicable regulatory requirements. At its meeting on March 16, 2023, the Board of Directors approved an interim dividend of nine cents (\$0.09) per share subject to regulatory approval.

I wish to thank our clients, employees, shareholders and directors for their ongoing support and contributions to the success of our Bank.

Jacqui Bend
Managing Director

FORWARD-LOOKING STATEMENT DISCLOSURE

This report may contain forward-looking statements, including statements about our Bank's 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 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 unfavorable 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 (Bahamas) Limited, please read FirstCaribbean International Bank (Bahamas) Limited's financial and other reports that are available on the Bank's website at www.cibcfcb.com.

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited Jan 31, 2023	Unaudited Jan 31, 2022	Audited Oct 31, 2022
Assets			
Cash, balances with The Central Bank and due from banks	944,631	956,793	962,014
Securities	1,185,876	966,571	1,317,826
Loans and advances to customers	2,065,990	2,024,523	2,035,563
Property and equipment	41,421	42,056	41,681
Other assets	55,293	83,887	57,116
Total assets	4,293,211	4,073,830	4,414,200
Liabilities			
Customer deposits	3,612,082	3,396,178	3,748,169
Other liabilities	50,633	50,355	55,199
Total liabilities	3,662,715	3,446,533	3,803,368
Equity			
Issued capital	477,230	477,230	477,230
Reserves	52,386	81,662	50,477
Retained earnings	100,880	68,405	83,125
Total equity	630,496	627,297	610,832
Total liabilities and equity	4,293,211	4,073,830	4,414,200

Director

Director

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2023	January 31, 2022	October 31, 2022
Interest and similar income	50,688	34,715	147,319
Interest and similar expense	2,835	1,390	7,060
Net interest income	47,853	33,325	140,259
Operating income	15,109	15,335	58,591
	62,962	48,660	198,850
Operating expenses	34,231	27,008	112,674
Credit loss expense on financial assets	156	9,498	16,026
	34,387	36,506	128,700
Net income for the period	28,575	12,154	70,150

	January 31, 2023	January 31, 2022	October 31, 2022
Weighted average number of common shares outstanding for the period	120,216,204	120,216,204	120,216,204
Net earnings per share (in cents)	23.8	10.1	58.4

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2023	January 31, 2022	October 31, 2022
Net income for the period	28,575	12,154	70,150
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods:			
Net gains/(losses) on debt instruments at fair value through OCI	1,909	760	(1,946)
	1,909	760	(1,946)
Other comprehensive loss not to be reclassified to net income in subsequent periods:			
Re-measurement losses on retirement benefit plans	-	-	(28,479)
	-	-	(28,479)
Other comprehensive income/(loss) for the period	1,909	760	(30,425)
Comprehensive income for the period	30,484	12,914	39,725

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

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2021	477,230	76,246	60,907	614,383
Comprehensive income for the period	-	760	12,154	12,914
Transfer to Statutory Reserve Fund - Turks & Caicos Islands	-	4,656	(4,656)	-
Balance at January 31, 2022	477,230	81,662	68,405	627,297
Balance at October 31, 2022	477,230	50,477	83,125	610,832
Comprehensive income for the period	-	1,909	28,575	30,484
Dividends	-	-	(10,820)	(10,820)
Balance at January 31, 2023	477,230	52,386	100,880	630,496

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	January 31, 2023	January 31, 2022	October 31, 2022
Net cash (used in)/from operating activities	(96,111)	222,890	545,043
Net cash from/(used in) investing activities	142,925	(48,600)	(390,612)
Net cash used in financing activities	(21,638)	(30,662)	(28,180)
Net increase in cash and cash equivalents	25,176	143,628	126,251
Cash and cash equivalents, beginning of the period	853,818	727,567	727,567
Cash and cash equivalents, end of the period	878,994	871,195	853,818

Notes to the Condensed Consolidated Financial Statements
January 31, 2023

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, 2022, included in the Bank's Annual Report 2022. 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 (TCL) Limited

Dividends

The unaudited condensed consolidated financial statements as of January 31, 2023 reflect all dividends for which regulatory approval was received during the fiscal period. There are no dividends declared and pending regulatory approval at January 31, 2023.

Condensed Consolidated Segment Information
B\$'000

	Unaudited January 31, 2023				
	RBB	CIB	WM	Admin	Total
Three months Ended					
External revenue	17,002	16,984	582	13,285	47,853
Internal revenue	1,584	7,962	93	(9,639)	-
Net interest income	18,586	24,946	675	3,646	47,853
Operating income	8,227	6,976	284	(378)	15,109
	26,813	31,922	959	3,268	62,962
Depreciation	375	2	14	1,543	1,934
Operating expenses	5,692	2,025	242	24,338	32,297
Indirect expenses	10,462	12,938	1,718	(25,118)	-
Credit loss expense on financial assets	3,263	(3,282)	(75)	250	156
Net income for the period	7,021	20,239	(940)	2,255	28,575
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,068,438	1,044,691	37,410	2,142,672	4,293,211
Segment liabilities	1,420,969	2,114,899	80,833	46,014	3,662,715

	Unaudited January 31, 2022				
	RBB	CIB	WM	Admin	Total
Three Months Ended					
External revenue	16,492	13,032	257	3,544	33,325
Internal revenue	617	3,410	141	(4,168)	-
Net interest income	17,109	16,442	398	(624)	33,325
Operating income	7,365	7,949	219	(198)	15,335
	24,474	24,391	617	(822)	48,660
Depreciation	393	3	14	1,521	1,931
Operating expenses	5,525	2,111	204	17,237	25,077
Indirect expenses	7,879	9,221	1,024	(18,124)	-
Credit loss expense on financial assets	5,090	1,648	93	2,667	9,498
Net income for the period	5,587	11,408	(718)	(4,123)	12,154
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,089,798	940,338	26,874	2,016,820	4,073,830
Segment liabilities	1,432,732	1,935,716	91,829	(13,744)	3,446,533

	Audited October 31, 2022				
	RBB	CIB	WM	Admin	Total
Year Ended					
External revenue	65,615	52,649	884	21,111	140,259
Internal revenue	4,704	10,655	7,295	(22,654)	-
Net interest income	70,319	63,304	8,179	(1,543)	140,259
Operating income	30,520	24,212	5,228	(1,369)	58,591
	100,839	87,516	13,407	(2,912)	198,850
Depreciation	1,687	10	57	6,036	7,790
Operating expenses	23,517	6,486	2,759	72,122	104,884
Indirect expenses	34,873	30,325	12,638	(77,836)	-
Credit loss expense on financial assets	16,174	(3,375)	355	2,872	16,026
Net income for the year	24,588	54,070	(2,402)	(6,106)	70,150
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,075,483	1,016,047	35,672	2,286,998	4,414,200
Segment liabilities	1,425,284	1,667,296	647,465	63,323	3,803,368

Notes:

The Bank's operations are organised 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.