

FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the six months ended April 30, 2023 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

We continued to execute our client-focused strategy delivering another quarter of solid results. Reported second quarter net income was \$76.5 million, up \$36.6 million or 92% from the prior year second quarter's net income of \$39.9 million. After excluding \$6.5 million of net gains relating to previously announced divestitures, adjusted net income was \$70.0 million.

For the six months ended April 30, 2023, the Bank reported net income of \$144.6 million, up \$59.5 million or 70% over the prior year's net income of \$85.1 million. After excluding \$5.7 million of net gains relating to previously announced divestitures, adjusted net income was \$138.9 million, up \$46.8 million or 51% from the second quarter a year ago. Our financial performance continues to be positively impacted by higher US benchmark interest rates, loan growth and an improved economic landscape across our regional operating footprint.

Investments in key strategic initiatives, along with higher employee-related costs has led to higher operating expenses. Our credit quality remains strong, as we experienced a lower level of provision reversal compared with the prior year arising from assumption updates.

Despite the headwinds facing the region's major trading partners, economic projections indicate that the recovery in the Caribbean, led by tourism, will likely progress in 2023 and 2024, with most markets anticipated to reach pre-crisis levels of economic activity this year.

On March 24, 2023, the Bank's sale of banking assets in St. Vincent & the Grenadines was completed. We wish to say a special thank you to our former employees for their years of dedication, professionalism, and commitment. On April 6, 2023, the Bank announced that the sale of our St. Kitts banking assets to St. Kitts-Nevis-Anguilla National Bank would not proceed due to regulatory considerations. The Bank will assess its operational and strategic options to reposition the Bank for growth in that market. On May 18, 2023, we received regulatory approval to complete the transaction in Grenada which is expected to close in July 2023 subject to certain closing conditions.

The Bank continues to maintain a strong capital position with Tier 1 and Total Capital ratios at 16.2% and 18.0%, in excess of applicable regulatory requirements.

The Board of Directors approved a quarterly dividend of \$0.0125 per share which will be paid on July 7, 2023, to shareholders of record as of June 16, 2023.

I would also like to thank and acknowledge our clients, employees, shareholders, and directors for their ongoing support during the second quarter of 2023.

Mark St. Hill
Chief Executive Officer
June 1, 2023

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 Bank's website at www.cibcfib.com

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited 6 months ended At Apr 30, 2023 | Unaudited 6 months ended At Apr 30, 2022 | Audited Year ended At Oct 31, 2022 |
|--|--|--|--|
| Assets | | | |
| Cash, balances with Central Banks and due from banks | 2,628,349 | 3,154,757 | 2,726,853 |
| Loans and advances to customers | 6,758,361 | 6,231,068 | 6,649,511 |
| Securities | 3,041,189 | 2,775,038 | 2,945,869 |
| Property and equipment | 192,666 | 183,563 | 192,875 |
| Other assets | 190,866 | 284,923 | 268,921 |
| Intangible assets | 44,372 | 44,372 | 44,372 |
| | 12,855,803 | 12,673,721 | 12,828,401 |
| Assets of disposal group classified as held for sale and discontinuing operations | - | 579,163 | 302,197 |
| Total assets | 12,855,803 | 13,252,884 | 13,130,598 |
| Liabilities | | | |
| Customer deposits and other borrowed funds | 11,403,856 | 11,295,210 | 11,428,746 |
| Other liabilities | 147,405 | 161,503 | 221,828 |
| Debt securities in issue | 26,586 | 26,586 | 26,599 |
| | 11,577,847 | 11,483,299 | 11,677,173 |
| Liabilities of disposal group classified as held for sale and discontinuing operations | - | 587,307 | 294,348 |
| Total liabilities | 11,577,847 | 12,070,606 | 11,971,521 |
| Equity attributable to equity holders of the parent | | | |
| Issued capital and reserves | 1,040,545 | 1,090,299 | 1,014,811 |
| Retained earnings | 206,174 | 61,760 | 115,085 |
| | 1,246,719 | 1,152,059 | 1,129,896 |
| Non-controlling interests | 31,237 | 30,219 | 29,181 |
| Total equity | 1,277,956 | 1,182,278 | 1,159,077 |
| Total liabilities and equity | 12,855,803 | 13,252,884 | 13,130,598 |

Director

Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the Parent | | | | |
|-------------------------------------|--|-----------|-------------------|---------------------------|--------------|
| | Issued Capital | Reserves | Retained Earnings | Non-controlling Interests | Total Equity |
| Balance at October 31, 2021 | 1,193,149 | (91,269) | 19,936 | 29,399 | 1,151,215 |
| Comprehensive income for the period | - | (21,858) | 83,656 | 1,338 | 63,136 |
| Transfer to reserves | - | 10,277 | (10,277) | - | - |
| Equity dividends | - | - | (31,555) | - | (31,555) |
| Dividends of subsidiary | - | - | - | (518) | (518) |
| Balance at April 30, 2022 | 1,193,149 | (102,850) | 61,760 | 30,219 | 1,182,278 |
| Balance at October 31, 2022 | 1,193,149 | (178,338) | 115,085 | 29,181 | 1,159,077 |
| Comprehensive income for the period | - | 10,631 | 141,691 | 3,092 | 155,414 |
| Transfer to reserves | - | 15,103 | (15,103) | - | - |
| Equity dividends | - | - | (35,499) | - | (35,499) |
| Dividends of subsidiary | - | - | - | (1,036) | (1,036) |
| Balance at April 30, 2023 | 1,193,149 | (152,604) | 206,174 | 31,237 | 1,277,956 |

CONDENSED CONSOLIDATED STATEMENT OF INCOME

| | Unaudited Quarter ended Apr 30, 2023 | Unaudited Six months ended Apr 30, 2022 | Unaudited Six months ended Apr 30, 2022 | Audited Year ended Oct 31, 2022 |
|---|--|---|---|---------------------------------------|
| Total revenue | 183,095 | 140,619 | 366,975 | 284,793 |
| Operating expenses | 103,296 | 94,651 | 210,333 | 193,531 |
| Credit loss expense/(release) on financial assets | 5,268 | (7,900) | 6,404 | (15,146) |
| | 108,564 | 86,751 | 216,737 | 178,385 |
| Income before taxation | 74,531 | 53,868 | 150,238 | 106,408 |
| Income tax expense | 4,117 | 11,652 | 9,248 | 17,308 |
| Net income for the period from continuing operations | 70,414 | 42,216 | 140,990 | 89,100 |
| Net gain/(loss) for the period from discontinued operations | 6,078 | (2,336) | 3,591 | (4,045) |
| Net loss for the period from discontinuing operations | - | - | - | (4) |
| Net Income for the period | 76,492 | 39,880 | 144,581 | 85,055 |
| Attributable to: | | | | |
| Equity holders of the parent | 74,970 | 39,062 | 141,691 | 83,656 |
| Non-controlling interests | 1,522 | 818 | 2,890 | 1,399 |
| | 76,492 | 39,880 | 144,581 | 85,055 |
| Basic and diluted earnings per share from continuing operations attributable to the equity holders of the parent for the period: | 4.4 | 2.6 | 8.8 | 5.6 |
| (expressed in cents per share) | | | | |
| Basic and diluted earnings per share attributable to the equity holders of the parent for the period: | 4.8 | 2.5 | 9.0 | 5.3 |
| (expressed in cents per share) | | | | |

FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the six months ended April 30, 2023 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited Quarter ended Apr 30, 2023 | Unaudited Quarter ended Apr 30, 2022 | Unaudited Six months ended Apr 30, 2023 | Unaudited Six months ended Apr 30, 2022 | Audited Year ended Oct 31, 2022 |
|--|--|--|---|---|---------------------------------------|
| Net income for the period | 76,492 | 39,880 | 144,581 | 85,055 | 176,393 |
| Other comprehensive gain/(loss) (net of tax) to be reclassified to net income in subsequent periods | 3,454 | (13,534) | 10,775 | (21,205) | (32,188) |
| Net gains/(losses) on debt securities at fair value through OCI | 567 | 448 | 58 | (714) | 401 |
| Net exchange gains/(losses) on translation of foreign operations | 4,021 | (13,086) | 10,833 | (21,919) | (31,787) |
| Other comprehensive loss (net of tax) not to be reclassified to net income in subsequent periods: | | | | | |
| Re-measurement losses of retirement benefit obligations | - | - | - | - | (71,563) |
| Other comprehensive income/(loss) for the period, net of tax | 4,021 | (13,086) | 10,833 | (21,919) | (103,350) |
| Comprehensive income for the period, net of tax | 80,513 | 26,794 | 155,414 | 63,136 | 73,043 |
| Comprehensive income for the period attributable to: | | | | | |
| Continuing operations | 74,442 | 29,201 | 151,844 | 67,266 | 75,145 |
| Discontinued operations | 6,071 | (2,407) | 3,570 | (4,130) | (1,996) |
| Discontinuing operations | - | - | - | - | (106) |
| Comprehensive income for the period attributable to: | 80,513 | 26,794 | 155,414 | 63,136 | 73,043 |
| Equity holders of the parent | 78,928 | 26,074 | 152,322 | 61,798 | 71,190 |
| Non-controlling interests | 1,585 | 720 | 3,092 | 1,338 | 1,853 |
| | 80,513 | 26,794 | 155,414 | 63,136 | 73,043 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited Six months ended Apr 30, 2023 | Unaudited Six months ended Apr 30, 2022 | Audited Year ended Oct 31, 2022 |
|--|---|---|---------------------------------------|
| Net cash (used in)/from operating activities from continuing operations | (37,577) | 705,699 | 350,064 |
| Net cash used in investing activities from continuing operations | (52,174) | (193,827) | (342,887) |
| Net cash used in financing activities from continuing operations | (42,917) | (40,022) | (80,322) |
| Net (decrease)/increase in cash and cash equivalents for the period from continuing operations | (132,668) | 471,850 | (73,145) |
| Net (decrease)/increase in cash from continuing operations | (132,668) | 471,850 | (73,145) |
| Net increase/(decrease) in cash from discontinuing and discontinued operations | 8,596 | (29,330) | (47,299) |
| Effect of exchange rate changes on cash and cash equivalents | 58 | (714) | 401 |
| Cash and cash equivalents, beginning of the period | 2,343,873 | 2,354,734 | 2,463,916 |
| Cash and cash equivalents from discontinued & discontinuing operations | - | 302,845 | 167,956 |
| Cash and cash equivalents, end of the period | 2,219,859 | 3,099,385 | 2,511,829 |

CONDENSED CONSOLIDATED SEGMENT INFORMATION

| | Unaudited April 30, 2023 | | | | |
|---|-----------------------------|-----------|---------|-----------|------------|
| | RBB | CIB | WM | Admin | Total |
| Six months ended | | | | | |
| External revenue | 80,330 | 110,398 | 4,812 | 65,367 | 260,907 |
| Internal revenue | 12,759 | 36,417 | 6,257 | (55,433) | - |
| Net interest income | 93,089 | 146,815 | 11,069 | 9,934 | 260,907 |
| Operating income | 42,399 | 49,005 | 16,237 | (1,573) | 106,068 |
| Total revenue | 135,488 | 195,820 | 27,306 | 8,361 | 366,975 |
| Depreciation | 3,278 | 1,110 | 1,060 | 11,858 | 17,306 |
| Operating expenses | 46,989 | 19,281 | 13,690 | 113,067 | 193,027 |
| Indirect expenses | 58,402 | 58,697 | 6,976 | (124,075) | - |
| Credit loss expense on financial assets | 10,883 | (8,139) | (91) | 3,751 | 6,404 |
| Income before taxation | 15,936 | 124,871 | 5,671 | 3,760 | 150,238 |
| Income tax expense | (1,979) | 9,575 | (100) | 1,752 | 9,248 |
| Net income for the period from continuing operations | 17,915 | 115,296 | 5,771 | 2,008 | 140,990 |
| Income from discontinued operations | (880) | 671 | - | 3,800 | 3,591 |
| Net income for the period | 17,035 | 115,967 | 5,771 | 5,808 | 144,581 |
| Balance as at | | | | | |
| Total assets and liabilities by segment are as follows: | | | | | |
| Segment assets | 2,656,269 | 4,121,449 | 246,516 | 5,831,569 | 12,855,803 |
| Segment liabilities | 4,460,400 | 6,337,735 | 648,364 | 131,348 | 11,577,847 |

| | Unaudited April 30, 2022 | | | | |
|--|-----------------------------|-----------|---------|-----------|------------|
| | RBB | CIB | WM | Admin | Total |
| Six months ended | | | | | |
| External revenue | 71,834 | 83,772 | 1,789 | 25,312 | 182,707 |
| Internal revenue | 5,801 | 12,451 | 4,451 | (22,703) | - |
| Net interest income | 77,635 | 96,223 | 6,240 | 2,609 | 182,707 |
| Operating income | 38,566 | 48,612 | 15,826 | (918) | 102,086 |
| Total revenue | 116,201 | 144,835 | 22,066 | 1,691 | 284,793 |
| Depreciation | 5,191 | 1,283 | 837 | 17,765 | 25,076 |
| Operating expenses | 42,939 | 20,462 | 12,371 | 92,683 | 168,455 |
| Indirect expenses | 47,020 | 49,919 | 5,343 | (102,282) | - |
| Credit loss release on financial assets | 16,054 | (30,726) | 355 | (829) | (15,146) |
| Income before taxation | 4,997 | 103,897 | 3,160 | (5,646) | 106,408 |
| Income tax expense | (2,746) | 13,546 | (111) | 6,619 | 17,308 |
| Net income for the period from continuing operations | 7,743 | 90,351 | 3,271 | (12,265) | 89,100 |
| Loss from discontinued operations | (4,299) | (39) | - | 293 | (4,045) |
| Net income for the period | 3,444 | 90,312 | 3,271 | (11,972) | 85,055 |
| Balance as at | | | | | |
| Total assets and liabilities by segment are as follows: | | | | | |
| Segment assets | 2,515,260 | 3,681,011 | 231,212 | 6,246,238 | 12,673,721 |
| Segment assets of disposal group classified as held for sale and discontinuing operations | 135,006 | 117,623 | - | 326,534 | 579,163 |
| Total segment assets | 2,650,266 | 3,798,634 | 231,212 | 6,572,772 | 13,252,884 |
| Segment liabilities | 4,174,586 | 6,409,705 | 838,159 | 60,849 | 11,483,299 |
| Segment liabilities of disposal group classified as held for sale and discontinuing operations | 413,996 | 170,910 | - | 2,401 | 587,307 |
| Total segment liabilities | 4,588,582 | 6,580,615 | 838,159 | 63,250 | 12,070,606 |

FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the six months ended April 30, 2023 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CONDENSED CONSOLIDATED SEGMENT INFORMATION *Continued*

| | Unaudited October 31, 2022 | | | | |
|---|-------------------------------|-----------|-----------|-----------|------------|
| | RBB | CIB | WM | Admin | Total |
| Year ended | | | | | |
| External revenue | 144,345 | 179,888 | 2,630 | 69,585 | 396,448 |
| Internal revenue | 14,099 | 9,864 | 34,509 | (58,472) | - |
| Net interest income | 158,444 | 189,752 | 37,139 | 11,113 | 396,448 |
| Operating income | 78,539 | 80,369 | 46,331 | (2,407) | 202,832 |
| Total revenue | 236,983 | 270,121 | 83,470 | 8,706 | 599,280 |
| Depreciation | 10,294 | 2,477 | 2,080 | 29,656 | 44,507 |
| Operating expenses | 97,617 | 37,866 | 31,789 | 186,043 | 353,315 |
| Indirect expenses | 97,604 | 85,420 | 27,258 | (210,282) | - |
| Credit loss release on financial assets | 24,235 | (24,425) | 185 | (892) | (897) |
| Income before taxation | 7,233 | 168,783 | 22,158 | 4,181 | 202,355 |
| Income tax expense | (7,036) | 17,700 | 52 | 13,375 | 24,091 |
| Net income for the year from continuing operations | 14,269 | 151,083 | 22,106 | (9,194) | 178,264 |
| Net loss from discontinued operations | (3,379) | (817) | - | 2,329 | (1,867) |
| Net loss from discontinuing operations | 1,491 | 4,206 | - | (5,701) | (4) |
| Net income for the year | 12,381 | 154,472 | 22,106 | (12,566) | 176,393 |
| Balance as at | | | | | |
| Total assets and liabilities by segment are as follows: | | | | | |
| Segment assets | 2,610,159 | 4,047,113 | 244,663 | 5,926,466 | 12,828,401 |
| Segment assets of disposal group classified as held for sale and discontinued operations | 81,441 | 52,211 | - | 168,545 | 302,197 |
| Total segment assets | 2,691,600 | 4,099,324 | 244,663 | 6,095,011 | 13,130,598 |
| Segment liabilities | 4,228,976 | 4,398,258 | 2,879,557 | 170,382 | 11,677,173 |
| Segment liabilities of disposal group classified as held for sale and discontinued operations | 211,136 | 83,252 | - | (40) | 294,348 |
| Total segment liabilities | 4,440,112 | 4,481,510 | 2,879,557 | 170,342 | 11,971,521 |

Notes:

1. The Group's operations are organized 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 its 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, but exclude intangible assets. Securities and cash placements are normally held within the Treasury unit within the Admin segment.

Comparative numbers reported have been adjusted to reflect the following business segments reorganizations effective November 1, 2022:

- Customer Call Centres previously reported under RBB have been aligned to Technology, Infrastructure & Innovation under Admin
- Cash Management, Merchant Services and Correspondent Banking Support previously reported under CIB have been aligned to Technology, Infrastructure & Innovation under Admin
- International Corporate Banking previously reported under WM has been aligned to CIB

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and summary of significant accounting policies

FirstCaribbean International Bank Limited and its subsidiaries (the "Group") are registered under the relevant financial and corporate legislation of 13 countries in the Caribbean to carry on banking and other related activities. FirstCaribbean International Bank Limited (the "Bank"), is a company incorporated and domiciled in Barbados at Warrens, St. Michael. The parent company and controlling party of the Bank is CIBC Investments (Cayman) Limited, which holds 91.7% of the Bank's issued shares and is a company incorporated in Cayman. The ultimate parent company is Canadian Imperial Bank of Commerce ("CIBC").

2. Basis of preparation and summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of the Group should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2022, included in the Group's Annual Report 2022. 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.

3. Assets and Liabilities of Disposal Group classified as Held for Sale and Discontinued Operations

On October 12, 2021, the Bank publicly announced the decision of its Board of Directors to sell the banking assets of CIBC FirstCaribbean International Bank (Barbados) Limited's operations in Dominica, Grenada, St. Kitts and St. Vincent, and of CIBC FirstCaribbean International Bank (Cayman) Limited's Aruba branch. These branches were classified as "Held for Sale" as at October 31, 2021.

On January 31, 2023, the Bank ceased operations in Dominica. On March 24, 2023, the Bank completed the sale of its banking assets in St. Vincent upon the satisfaction of the closing conditions. The sale of the St. Kitts operations will no longer take place as the final approval was not granted. On May 18, 2023, the Bank received regulatory approval to complete the transaction in Grenada which is expected to close in July 2023 subject to certain closing conditions. As such, both St. Kitts and Grenada have been excluded from the Held for Sale classification.

For the six months ended, April 30, 2023, the associated net gain from the closure of Dominica and St. Vincent have been presented separately as discontinued operations on the consolidated statement of income.

4. Dividends

During the quarter, a first quarterly dividend of one point two five United States cents (\$0.0125) per share was paid on April 21, 2023. The Board of Directors has approved a 2023 second quarter dividend of one point two five United States cents (\$0.0125) per share to be paid on July 7, 2023, to shareholders of record as of June 16, 2023.