

FirstCaribbean International Bank Limited

Summary Consolidated Financial Statements

For the year ended October 31, 2023 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

The Bank delivered a strong financial performance for the fiscal year as we continued to execute our client-centric strategy focused on deepening client relationships, enhancing our digital banking offerings, simplifying operations and investing in our people. Our strategic investments are creating a strong foundation for future growth and optimization of resources across our strategic business segments.

For the year ended October 31, 2023, the Bank reported net income of \$269.9 million, up \$93.5 million or 53%, from prior year's net income of \$176.4 million. Adjusted net income was \$267.0 million, after excluding net gains of \$2.9 million related to the previously announced divestitures, compared with adjusted net income* of \$186.9 million at the end of 2022.

The year's significantly improved results were largely due to the revenue uplift from higher US benchmark interest rates in our primary US dollar denominated operating companies in the Bahamas and the Cayman Islands. Additionally, as the regional economy continued to recover from the aftermath of the COVID-19 pandemic, transaction-based operating income returned to normalized levels, improving over the prior year.

While the high interest rate environment has improved margins in 2023, loan growth has been moderate in line with costlier debt and clients' debt management strategies. Deposit growth has also slowed, as some client inflows have been directed towards alternate investment products or debt repayment. In 2024, a softer pace for economic growth and sustained inflation levels are likely to have broad implications across our strategic business units. However, even with some fluidity in the economic outlook, we are confident we can build on our momentum and drive strategic long-term growth.

Non-interest expenses were up over the prior year as we experienced higher employee-related costs, higher expenses related to our strategic investments and other expenses impacted by inflation and business activity. The provision for credit losses was up slightly from the prior year largely due to updated, less favourable forward-looking economic indicators, offset by lower provision for credit losses on our impaired portfolio. We continue to maintain a high level of credit quality across the Bank.

The Board of Directors approved a quarterly dividend of \$0.0125 per share, bringing the total dividend to \$0.0475 per share for the year demonstrating the Bank's strong financial position and commitment to shareholder return. The dividend will be paid on January 18, 2024, to shareholders of record on December 18, 2023. The Bank's Tier 1 and Total Capital ratios remain strong at 17.2% and 18.9%, in excess of applicable regulatory requirements.

On October 31, 2023, the Bank announced the final two divestitures in its program of streamlining its business across the region with the sale of its banking assets in Curacao and St. Maarten to Curacao-based, OrCo Bank N.V, subject to regulatory approval and other closing conditions and are expected to close during fiscal 2024. This program began as part of a strategy to enable the Bank to optimize and simplify its business, further enhance efficiency and focus on core markets to accelerate growth.

We also announced our intention to rebrand the business from CIBC FirstCaribbean to CIBC. The adoption of the CIBC brand demonstrates CIBC's commitment to the region and confidence in the continuing performance of our bank.

I again wish to sincerely thank all our clients, employees, shareholders and directors for their support in making our Bank the best franchise in the Caribbean.


Mark St. Hill
Chief Executive Officer
December 7, 2023

*Prior year reported net income was adjusted for Divestiture expenses of \$10.5 million.

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 October 31, 2023, 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 October 31, 2023.

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 December 8, 2023. 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.

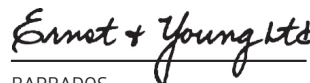
Responsibilities of Management for the Summary Consolidated Financial Statements

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

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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
December 7, 2023

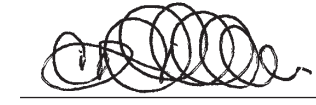
Note 1

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 October 31, 2023, which are prepared in accordance with International Financial Reporting Standards.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Year ended At October 31, 2023	Audited Year ended At October 31, 2022
Assets		
Cash, balances with Central Banks and due from banks	2,261,564	2,726,853
Loans and advances to customers	6,633,855	6,649,511
Securities	2,846,655	2,945,869
Property and equipment	210,899	192,875
Other assets	287,149	268,921
Intangible assets	44,372	44,372
	<u>12,284,494</u>	<u>12,828,401</u>
Assets of disposal group classified as held for sale and discontinuing/discontinued operations	236,614	302,197
Total assets	<u>12,521,108</u>	<u>13,130,598</u>
Liabilities		
Customer deposits	10,533,327	11,428,746
Other liabilities	244,796	221,828
Debt securities in issue	26,599	26,599
	<u>10,804,722</u>	<u>11,677,173</u>
Liabilities of disposal group classified as held for sale and discontinuing/discontinued operations	363,867	294,348
Total liabilities	<u>11,168,589</u>	<u>11,971,521</u>
Equity attributable to equity holders of the parent		
Issued capital and reserves	1,048,296	1,014,811
Retained earnings	270,999	115,085
	<u>1,319,295</u>	<u>1,129,896</u>
Non-controlling interests	33,224	29,181
Total equity	<u>1,352,519</u>	<u>1,159,077</u>
Total liabilities and equity	<u>12,521,108</u>	<u>13,130,598</u>


Mark St. Hill
Chief Executive Officer


Chris de Caires
Director

SUMMARY 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
Total comprehensive income for the year	-	(101,846)	173,036	1,853	73,043
Transfer to reserves	-	14,777	(14,777)	-	-
Equity dividends	-	-	(63,110)	-	(63,110)
Dividends of subsidiary	-	-	-	(2,071)	(2,071)
Balance at October 31, 2022	1,193,149	(178,338)	115,085	29,181	1,159,077
Total comprehensive income for the year	-	285	264,056	6,114	270,455
Transfer to reserves	-	33,200	(33,200)	-	-
Equity dividends	-	-	(74,942)	-	(74,942)
Dividends of subsidiary	-	-	-	(2,071)	(2,071)
Balance at October 31, 2023	1,193,149	(144,853)	270,999	33,224	1,352,519

FirstCaribbean International Bank Limited

Summary Consolidated Financial Statements

For the year ended October 31, 2023 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	Audited Year ended October 31, 2023	Audited Year ended October 31, 2022
Total revenue	715,463	577,028
Operating expenses	414,504	377,967
Credit loss expense on financial assets	11,183	10,127
	<u>425,687</u>	<u>388,094</u>
Income before taxation from continuing operations	289,776	188,934
Income tax expense	29,015	23,023
Net income for the year from continuing operations	<u>260,761</u>	<u>165,911</u>
Net income/(loss) for the year from discontinued operations	4,727	(6,840)
Net income for the year from discontinuing operations	4,422	17,322
Net Income for the year	<u>269,910</u>	<u>176,393</u>
Attributable to:		
Equity holders of the parent	264,056	173,036
Non-controlling interests	5,854	3,357
	<u>269,910</u>	<u>176,393</u>
Basic and diluted earnings per share from continuing operations attributable to the equity holders of the parent for the year: (expressed in cents per share)	16.2	10.3
Basic and diluted earnings per share attributable to the equity holders of the parent for the year: (expressed in cents per share)	16.7	11.0

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended October 31, 2023	Audited Year ended October 31, 2022
Net income for the year	269,910	176,393
Other comprehensive income/(loss) (net of tax) to be reclassified to net income or loss in subsequent periods		
Net gains/(losses) on debt securities at fair value through OCI	7,202	(32,188)
Net exchange (losses)/gains on translation of foreign operations	(1,082)	401
	<u>6,120</u>	<u>(31,787)</u>
Other comprehensive loss (net of tax) not to be reclassified to net income or loss in subsequent periods		
Re-measurement losses on retirement benefit obligations	(5,575)	(71,563)
Other comprehensive income/(loss) for the year, net of tax	<u>545</u>	<u>(103,350)</u>
Comprehensive income for the year, net of tax	<u>270,455</u>	<u>73,043</u>
Comprehensive income for the year attributable to:		
Continuing operations	263,491	65,034
Discontinued operations	4,705	(7,191)
Discontinuing operations	2,259	15,200
	<u>270,455</u>	<u>73,043</u>
Comprehensive income for the year attributable to:		
Equity holders of the parent	264,341	71,190
Non-controlling interests	6,114	1,853
	<u>270,455</u>	<u>73,043</u>

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Year ended October 31, 2023	Audited Year ended October 31, 2022
Net cash (used in)/from operating activities from continuing operations	(671,317)	347,214
Net cash from/(used in) investing activities from continuing operations	163,906	(340,037)
Net cash used in financing activities from continuing operations	(89,526)	(80,322)
Net decrease in cash and cash equivalents for the year from continuing operations	<u>(596,937)</u>	<u>(73,145)</u>
Net decrease in cash from continuing operations	(596,937)	(73,145)
Net increase/(decrease) in cash from held for sale and discontinuing/discontinued operations	134,532	(47,299)
Effect of exchange rate changes on cash and cash equivalents	(1,082)	401
Cash and cash equivalents, beginning of year	2,343,873	2,463,916
Cash and cash equivalents from held for sale and discontinuing/discontinued operations	<u>132,966</u>	<u>167,956</u>
Cash and cash equivalents, end of year	<u>2,013,352</u>	<u>2,511,829</u>

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

FirstCaribbean International Bank Limited and its subsidiaries (the "Group") are registered under the relevant financial and corporate legislation of 12 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 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 October 31, 2023, which are prepared in accordance with International Financial Reporting Standards. The Group's Annual Report will be posted on our website (www.cibcfib.com) on December 8, 2023.

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.

The sales of the banking assets in Aruba, St. Vincent and Grenada were completed on February 25, 2022, March 24, 2023 and July 14, 2023 respectively, upon the satisfaction of closing condition.

On October 31, 2023, the Bank publicly announced the decision of the Board of Directors to sell the banking assets of CIBC FirstCaribbean International Bank (Cayman) Limited's operations in St. Maarten and Curacao to Orco Bank N.V. The sale of this transaction is subject to regulatory and other closing conditions. As at October 31, 2023, the Bank classified the banking assets of the Curacao operations as "Held for Sale" on consolidated statement of financial position, however, the banking operations of St. Maarten was excluded from the classification given the uncertainty surrounding the timing of the completion of the sale.

For the year ended, October 31, 2023, the associated net income from the closure of Dominica, Grenada and St. Vincent has been presented separately as discontinued operations, whilst the net income from the Curacao operations has been presented as discontinuing operations on the consolidated statement of income in accordance with International Financial Reporting Standards.