



FirstCaribbean International Bank (Bahamas) Limited
Managing Director's Review Of the Results
For the three months ended January 31, 2020

For the three months ended January 31, 2020, the Bank recorded net income of \$24.0 million, up \$4.2 million when compared with net income of \$19.8 million for the corresponding period last year. Our improved performance was due to increased revenue from fee income and lower credit loss expenses, net of increased operating expenses.

At the end of the first quarter, the Bank's Tier 1 and Total Capital ratios were both 26.4%, in excess of applicable regulatory requirements. At its meeting on March 17, 2020, the Directors approved an interim dividend of nine cents (\$0.09) per share, subject to regulatory approval.

I again wish to thank our clients, employees, shareholders and our board of directors for their ongoing support.

Marie Rodland-Allen
Managing Director

Condensed Consolidated Statement of Financial Position
B\$'000

	Unaudited Jan 31, 2020	Unaudited Jan 31, 2019	Audited Oct 31, 2019
Assets			
Cash, balances with The Central Bank and due from banks	745,829	613,078	593,474
Other assets	47,194	30,259	48,212
Securities	1,012,580	812,511	936,576
Loans and advances to customers	2,044,157	2,012,501	2,023,654
Property and equipment	45,652	29,170	30,593
Goodwill	72,747	72,747	72,747
Total assets	3,968,159	3,570,266	3,705,256
Liabilities			
Customer deposits	3,139,080	2,834,798	2,903,742
Other liabilities	130,805	80,869	77,942
Total liabilities	3,269,885	2,915,667	2,981,684
Equity			
Issued capital	477,230	477,230	477,230
Reserves	28,284	3,816	19,810
Retained earnings	192,760	173,553	226,532
Total equity	698,274	654,599	723,572
Total liabilities and equity	3,968,159	3,570,266	3,705,256

Director

Director

Condensed Consolidated Statement of Income
B\$'000

	Unaudited Three Months Ended Jan 31, 2020	Unaudited Three Months Ended Jan 31, 2019	Audited Year Ended Oct 31, 2019
Total interest income	41,419	41,529	169,968
Total interest expense	3,133	3,490	13,172
Net interest income	38,286	38,039	156,796
Operating income	15,331	12,294	48,619
Total revenue	53,617	50,333	205,415
Operating expenses	28,158	26,744	106,524
Credit loss expense on financial assets	1,489	3,833	4,515
	29,647	30,577	111,039
Net income for the period	23,970	19,756	94,376
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)	19.9	16.4	78.5

Condensed Consolidated Statement of Comprehensive Income
B\$'000

	Unaudited Three Months Ended Jan 31, 2020	Unaudited Three Months Ended Jan 31, 2019	Audited Year Ended Oct 31, 2019
Net income for the period	23,970	19,756	94,376
Other comprehensive income/(loss) to be reclassified to net income in subsequent periods			
Net gains on debt instruments at fair value through OCI	1,219	3,914	10,866
	1,219	3,914	10,866
Other comprehensive income/(loss) not to be reclassified to net income in subsequent periods			
Re-measurement gains on retirement benefit plans	-	-	9,042
	-	-	9,042
Other comprehensive income for the period	1,219	3,914	19,908
Comprehensive income for the period	25,189	23,670	114,284

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

	Issued Capital	Reserves	Retained Earnings	Total
Balance at October 31, 2018	477,230	(6,627)	181,965	652,568
Comprehensive income for the period	-	3,914	19,756	23,670
Dividends	-	-	(21,639)	(21,639)
Transfer to Statutory Reserve Fund - TCI	-	6,529	(6,529)	-
Balance at January 31, 2019	477,230	3,816	173,553	654,599
Balance at October 31, 2019	477,230	19,810	226,532	723,572
Comprehensive income for the period	-	1,219	23,970	25,189
Dividends	-	-	(50,487)	(50,487)
Transfer to Statutory Reserve Fund - TCI	-	7,255	(7,255)	-
Balance at January 31, 2020	477,230	28,284	192,760	698,274

Condensed Consolidated Statement of Cash Flows
B\$'000

	Unaudited Three Months Ended		Audited Year Ended
	Jan 31, 2020	Jan 31, 2019	Oct 31, 2019
Net cash from operating activities	251,302	83,444	201,714
Net cash used in investing activities	(84,721)	(23,590)	(124,261)
Net cash used in financing activities	(18,896)	(21,639)	(58,640)
Net increase in cash and cash equivalents	147,685	38,215	18,813
Cash and cash equivalents, beginning of the period	513,005	494,192	494,192
Cash and cash equivalents, end of the period	660,690	532,407	513,005

Notes to the Condensed Consolidated Financial Statements
January 31, 2020

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, 2019, included in the Bank's Annual Report 2019. 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

A special dividend of \$0.42 per share, declared at the Board of Directors meeting on June 20, 2019, received the required regulatory approval and was paid on December 13, 2019 to shareholders of record as of the close of business on December 9, 2019. These unaudited condensed consolidated financial statements therefore reflect an equity distribution of retained earnings.

The Directors have recommended for approval the following dividends, which are not reflected in these unaudited consolidated financial statements as they are subject to requisite regulatory approvals:

- Fiscal 2019 Q3 ordinary dividend of \$0.09 per share (approved by the Board on September 17, 2019)
- Fiscal 2019 Q4 ordinary dividend of \$0.09 per share (approved by the Board on December 12, 2019)
- Fiscal 2020 Q1 ordinary dividend of \$0.09 per share (approved by the Board on March 17, 2020)

Condensed Consolidated Segment Information
B\$'000

	Unaudited Year Ended January 31, 2020				
	RBB	CIB	WM	Admin	Total
External revenue	17,915	12,706	(168)	7,833	38,286
Internal revenue	(1,951)	3,865	3,184	(5,098)	-
Net interest income	15,964	16,571	3,016	2,735	38,286
Operating income	6,795	7,197	1,195	144	15,331
	22,759	23,768	4,211	2,879	53,617
Depreciation	520	5	17	1,419	1,961
Operating expenses	6,912	1,234	533	17,518	26,197
Indirect expenses	7,341	7,838	4,170	(19,349)	-
Credit loss expense on financial assets	563	1,367	25	(466)	1,489
Net income for the period	7,423	13,324	(534)	3,757	23,970

Total assets and liabilities by segment
are as follows:

Segment assets	240,769	1,774,801	546,105	1,406,484	3,968,159
Segment liabilities	1,278,832	1,355,075	556,520	79,458	3,269,885

	Unaudited Three Months Ended January 31, 2019				
	RBB	CIB	WM	Admin	Total
External revenue	17,366	13,644	(327)	7,356	38,039
Internal revenue	(2,729)	821	3,769	(1,861)	-
Net interest income	14,637	14,465	3,442	5,495	38,039
Operating income	7,095	4,334	1,014	(149)	12,294
	21,732	18,799	4,456	5,346	50,333
Depreciation	402	3	17	738	1,160
Operating expenses	6,593	838	443	17,710	25,584
Indirect expenses	6,400	8,000	4,588	(18,988)	-
Credit loss expense on financial assets	(929)	1,466	14	3,282	3,833
Net income for the period	9,266	8,492	(606)	2,604	19,756

Total assets and liabilities by segment
are as follows:

Segment assets	447,092	1,445,658	574,303	1,103,213	3,570,266
Segment liabilities	1,133,309	1,099,841	575,482	107,035	2,915,667

	Audited Year Ended October 31, 2019				
	RBB	CIB	WM	Admin	Total
External revenue	71,957	53,790	(1,304)	32,353	156,796
Internal revenue	(9,849)	7,782	14,868	(12,801)	-
Net interest income	62,108	61,572	13,564	19,552	156,796
Operating income	26,567	18,611	4,421	(980)	48,619
	88,675	80,183	17,985	18,572	205,415
Depreciation	2,300	12	69	1,640	4,021
Operating expenses	23,925	4,469	2,720	71,389	102,503
Indirect expenses	25,970	30,845	17,624	(74,439)	-
Credit loss expense on financial assets	(224)	1,437	47	3,255	4,515
Net income for the year	36,704	43,420	(2,475)	16,727	94,376

Total assets and liabilities by segment
are as follows:

Segment assets	223,411	1,635,233	543,456	1,303,156	3,705,256
Segment liabilities	1,165,744	1,232,988	544,713	38,239	2,981,684

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.