

CHIEF EXECUTIVE OFFICER’S REVIEW

For the three months ended January 31, 2020, the Bank recorded net income of \$51.4 million, up \$28.9 million when compared with net income of \$22.5 million for the corresponding period last year. Our improved performance was due to increased revenue, lower credit loss expenses and lower taxation expense. Taxes were down vs. prior year primarily due to a write off of deferred tax assets in Q1 2019 as a result of a change in the Barbados Corporate Tax rate.

At the end of the first quarter, the Bank’s Tier 1 and Total Capital ratios remained strong at 14.3% and 16.1%, well in excess of applicable regulatory requirements. The Board of Directors approved a quarterly dividend of one point two five United States cents (\$0.0125) per share which will be paid on April 17, 2020 to shareholders of record as at March 19, 2020. They also announced a special dividend of \$50 million (\$0.0317 per share) demonstrating our commitment to enhancing shareholder returns based on our improved performance.

We wish to thank our clients, employees, shareholders and our board of directors for their continued support.



Colette Delaney
Chief Executive Officer
March 05, 2020

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 company’s website at www.cibcfib.com

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Jan 31, 2020	Unaudited Jan 31, 2019	Audited Oct 31, 2019
Assets			
Cash, balances with Central Banks and due from banks	2,671,017	2,519,362	2,267,264
Loans and advances to customers	6,238,399	5,917,513	6,145,062
Securities	2,728,658	2,417,848	2,566,791
Property and equipment	216,758	161,796	171,945
Other assets	162,015	200,331	191,483
Intangible assets	218,961	218,961	218,961
Total assets	12,235,808	11,435,811	11,561,506
Liabilities			
Customer deposits and other borrowed funds	10,683,460	10,049,364	10,026,455
Other liabilities	187,945	137,678	188,231
Debt securities in issue	74,827	89,806	89,806
Total liabilities	10,946,232	10,276,848	10,304,492
Equity attributable to equity holders of the parent			
Issued capital and reserves	1,027,208	962,895	1,001,487
Retained earnings	232,435	168,317	224,383
	1,259,643	1,131,212	1,225,870
Non-controlling interests	29,933	27,751	31,144
Total equity	1,289,576	1,158,963	1,257,014
Total liabilities and equity	12,235,808	11,435,811	11,561,506

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2


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, 2018	1,193,149	(241,315)	173,117	27,843	1,152,794
Comprehensive income for the period	-	4,153	21,568	943	26,664
Transfer to reserves	-	6,908	(6,908)	-	-
Equity dividends	-	-	(19,460)	-	(19,460)
Dividends of subsidiaries	-	-	-	(1,035)	(1,035)
Balance at January 31, 2019	1,193,149	(230,254)	168,317	27,751	1,158,963
Balance at October 31, 2019	1,193,149	(191,662)	224,383	31,144	1,257,014
Comprehensive income for the period	-	2,951	50,282	1,207	54,440
Transfer to reserves	-	22,770	(22,770)	-	-
Equity dividends	-	-	(19,460)	-	(19,460)
Dividends of subsidiaries	-	-	-	(2,418)	(2,418)
Balance at January 31, 2020	1,193,149	(165,941)	232,435	29,933	1,289,576

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited 3 months ended Jan 31, 2020	Unaudited 3 months ended Jan 31, 2019	Audited Year ended Oct 31, 2019
Total Revenue	159,207	153,746	616,059
Operating expenses	100,964	99,408	400,423
Credit loss expense on financial assets	4,357	7,269	3,635
	105,321	106,677	404,058
Income before taxation	53,886	47,069	212,001
Income tax expense	2,456	24,555	41,494
Net income for the period	51,430	22,514	170,507
Attributable to:			
Equity holders of the parent	50,282	21,568	165,991
Non-controlling interests	1,148	946	4,516
	51,430	22,514	170,507

Basic and diluted earnings per share attributable to the equity holders of the parent for the period: (expressed in cents per share)

	3.2	1.4	10.5
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Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months ended Jan 31, 2020	Unaudited 3 months ended Jan 31, 2019	Audited Year ended Oct 31, 2019
Net income for the period	51,430	22,514	170,507
Other comprehensive income (net of tax) to be reclassified to net income in subsequent periods			
Net income on debt securities at fair value through OCI	3,093	9,562	31,520
Net exchange losses on translation of foreign operations	(83)	(3,106)	(7,255)
	3,010	6,456	24,265
Other comprehensive income (net of tax) not to be reclassified to net income in subsequent periods:			
Re-measurement (losses)/gains of retirement benefit obligations	-	(2,306)	14,116
Other comprehensive income for the period, net of tax	3,010	4,150	38,381
Comprehensive income for the period, net of tax	54,440	26,664	208,888
Comprehensive income for the period attributable to:			
Equity holders of the parent	53,233	25,721	203,517
Non-controlling interests	1,207	943	5,371
	54,440	26,664	208,888

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 3 months ended Jan 31, 2020	Audited Year ended Oct 31, 2019
Net cash from operating activities	635,697	418,765
Net cash used in investing activities	(190,412)	(96,912)
Net cash used in financing activities	(37,666)	(110,115)
Net increase in cash and cash equivalents for the period	407,619	211,738
Effect of exchange rate changes on cash and cash equivalents	(83)	(7,255)
Cash and cash equivalents, beginning of the period	1,888,560	1,684,077
Cash and cash equivalents, end of the period	2,296,096	1,888,560

Note: Results have been converted to USD at an exchange rate of USD1 = BBD2

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited January 31, 2020				
	RBB	CIB	WM	Admin	Total
Three months ended					
External revenue	38,962	47,188	(1,868)	21,091	105,373
Internal revenue	6,285	5,264	13,952	(25,501)	-
Net interest income	45,247	52,452	12,084	(4,410)	105,373
Operating income	21,072	19,896	12,077	789	53,834
Total revenue	66,319	72,348	24,161	(3,621)	159,207
Depreciation	2,085	362	301	6,240	8,988
Operating expenses	25,900	8,744	9,077	48,255	91,976
Indirect expenses	23,946	23,951	8,242	(56,139)	-
Credit loss expense on financial assets	1,688	3,084	44	(459)	4,357
Income before taxation	12,700	36,207	6,497	(1,518)	53,886
Income tax expense	(1,031)	2,803	102	582	2,456
Net income for the period	13,731	33,404	6,395	(2,100)	51,430
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	2,635,179	3,664,101	151,121	5,785,407	12,235,808
Segment liabilities	4,000,665	3,906,810	2,945,632	93,125	10,946,232

CONDENSED CONSOLIDATED SEGMENT INFORMATION *Continued*

	Unaudited January 31, 2019				
	RBB	CIB	WM	Admin	Total
Three months ended					
External revenue	38,415	46,095	(2,206)	21,771	104,075
Internal revenue	5,471	1,358	14,716	(21,545)	-
Net interest income	43,886	47,453	12,510	226	104,075
Operating income	19,574	16,228	11,808	2,061	49,671
Total revenue	63,460	63,681	24,318	2,287	153,746
Depreciation	2,066	776	130	3,804	6,776
Operating expenses	25,716	8,244	8,032	50,640	92,632
Indirect expenses	23,507	21,346	10,046	(54,899)	-
Credit loss expense on financial assets	(2,637)	6,715	(90)	3,281	7,269
Income before taxation	14,808	26,600	6,200	(539)	47,069
Income tax expense	(850)	3,716	(116)	21,805	24,555
Net income for the period	15,658	22,884	6,316	(22,344)	22,514

Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	2,583,193	3,402,751	114,832	5,335,035	11,435,811
Segment liabilities	3,745,317	3,639,738	2,757,836	133,957	10,276,848

	Audited October 31, 2019				
	RBB	CIB	WM	Admin	Total
Year ended					
External revenue	157,197	183,836	(8,833)	93,792	425,992
Internal revenue	22,723	14,418	60,785	(97,926)	-
Net interest income	179,920	198,254	51,952	(4,134)	425,992
Operating income	73,241	63,861	48,633	4,332	190,067
Total revenue	253,161	262,115	100,585	198	616,059
Depreciation	8,640	2,100	529	14,634	25,903
Operating expenses	103,601	34,779	35,896	200,244	374,520
Indirect expenses	91,092	86,566	37,212	(214,870)	-
Credit loss expense on financial assets	(2,718)	3,581	(17)	2,789	3,635
Income before taxation	52,546	135,089	26,965	(2,599)	212,001
Income tax expense	(561)	15,660	(205)	26,600	41,494
Net income for the period	53,107	119,429	27,170	(29,199)	170,507

Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	1,348,233	5,406,676	2,253,338	2,553,259	11,561,506
Segment liabilities	3,849,284	3,649,468	2,631,164	174,576	10,304,492

Notes:

1. The Group'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). Treasury activities within the Administration segment includes the impact of charges or credits with a market-based cost liabilities and capital; the offset of the same for RBB, CIB, and WM earnings unattributed capital remains in Administration. of funds on the SBU assets and liabilities respectively. Capital is attributed to the SBUs in a manner that is intended to measure and align economic value with the underlying benefits and risks associated with SBU activities. Earnings on unattributed capital remain in Administration. Management reviews the transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and summary of significant accounting policies

The accompanying unaudited condensed consolidated financial statements of FirstCaribbean International Bank Limited (the Group) should be read in conjunction with the IFRS consolidated financial statements and notes thereto for the year ended October 31, 2019, included in the Group's Annual Report 2019. 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.

Dividends

During the quarter, a final quarterly dividend of one point two five United States cents (\$0.0125) per share was paid on January 24, 2020. The Board of Directors has approved a 2020 first quarter dividend of one point two five United States cents (\$0.0125) per share and a special dividend of three point one seven United States cents (\$0.0317) per share, both to be paid on April 17, 2020 to shareholders of record as of March 19, 2020.