FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the six months ended 30 April, 2021 (expressed in thousands of United States dollars)

FirstCaribbean International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

Our Bank reported net income of $22.6 million for the second quarter, up $132.3 million or 121% from the second quarter a year ago. Results for the quarter were affected by one item of note related to a $10.1 million ($9.3 million after-tax) restructuring charge associated with ongoing efforts to transform our cost structure and simplify our Bank.

Excluding this item of note, adjusted net income was $31.9 million, up $90.9 million or 154% from the second quarter a year ago[1] primarily due to lower provisions for credit losses, offset by lower revenue as a result of the low interest rate environment.

For the six month period to April 30, 2021, adjusted net income was $62.8 million, up $70.4 million from the same period last year.

The COVID-19 pandemic continues to have an adverse impact on the near-term economic outlook for the regional economy. Restrictions imposed by governments to limit the impact of the virus, such as travel restrictions, physical distancing measures, and the closure of certain businesses, continue to disrupt markets; and will limit the scope and pace of the economic recovery until effective vaccine programs are widely in place across our operating territories.

Due to the ongoing uncertainty surrounding the COVID-19 pandemic, the Directors have decided not to declare a dividend this quarter and will continue to monitor the Bank's financial performance along with market conditions. The Bank's Tier 1 and Total Capital ratios are 12.7% and 14.8% respectively, which remain in excess of applicable regulatory requirements.

The Bank continues to execute its strategy to provide our clients with a modern, digital experience, simplifying the way in which we do business, while also positioning the Bank for client-focused growth.

We again wish to thank all our clients, employees and directors for their loyalty, continuing support and commitment to the Bank. We especially acknowledge the resilience of all our clients and employees in St. Vincent and the Grenadines and Barbados who were significantly impacted during April by the volcanic eruption and subsequent fall of volcanic ash.

Colette Delaney
Chief Executive Officer
June 3, 2021

[1]Reported net income for the second quarter of 2020 was adjusted for a goodwill impairment charge of $50.7 million

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.cibcfcib.com

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Apr 30, 2021	Unaudited Apr 30, 2020	Audited Oct 31, 2020
Assets			
Cash, balances with Central Banks and due from banks	2,851,541	2,417,809	2,280,465
Loans and advances to customers	6,421,114	6,240,973	6,374,063
Securities	2,559,018	2,739,716	3,027,016
Property and equipment	193,205	210,757	205,626
Other assets	195,495	130,909	247,887
Intangible assets	44,372	168,289	44,372
Total assets	12,264,745	11,908,453	12,179,429
Liabilities			
Customer deposits and other borrowed funds	10,953,972	10,525,260	10,843,673
Other liabilities	185,027	199,504	251,467
Debt securities in issue	75,621	75,710	75,564
Total liabilities	11,214,620	10,800,474	11,170,704
Equity attributable to equity holders of the parent			
Issued capital and reserves	1,052,303	1,021,582	1,059,429
Retained (deficit)/earnings	(31,436)	58,135	(80,363)
	1,020,867	1,079,717	979,066
Non-controlling interests	29,258	28,262	29,659
Total equity	1,050,125	1,107,979	1,008,725
Total liabilities and equity	12,264,745	11,908,453	12,179,429

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 /(Deficit)	Non-controlling Interests	Total Equity
Balance at October 31, 2019	1,193,149	(191,662)	224,383	31,144	1,257,014
Comprehensive loss for the period	-	1,435	(58,409)	53	(56,921)
Transfer to reserves	-	18,660	(18,660)	-	-
Equity dividends	-	-	(89,179)	-	(89,179)
Dividends of subsidiaries	-	-	-	(2,935)	(2,935)
Balance at April 30, 2020	1,193,149	(171,567)	58,135	28,262	1,107,979
Balance at October 31, 2020	1,193,149	(133,720)	(80,363)	29,659	1,008,725
Comprehensive income for the period	-	(9,896)	51,697	1,671	43,472
Transfer to reserves	-	2,770	(2,770)	-	-
Dividends of subsidiaries	-	-	-	(2,072)	(2,072)
Balance at April 30, 2021	1,193,149	(140,846)	(31,436)	29,258	1,050,125

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME/(LOSS)

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	Apr 30, 2021	Apr 30, 2020	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Total revenue	135,480	141,850	271,824	301,057	571,930
Operating expenses	106,544	104,369	201,572	205,333	396,229
Credit loss expense on financial assets	5,318	101,786	12,601	106,143	160,535
Impairment of intangible assets	-	50,669	-	50,669	174,589
	111,862	256,824	214,173	362,145	731,353
Income/(loss) before taxation	23,618	(114,974)	57,651	(61,088)	(159,423)
Income tax expense/(credit)	1,001	(5,276)	4,128	(2,820)	(759)
Net income/(loss) for the period	22,617	(109,698)	53,523	(58,268)	(158,664)
Attributable to:					
Equity holders of the parent	21,563	(108,691)	51,697	(58,409)	(159,105)
Non-controlling interests	1,054	(1,007)	1,826	141	441
	22,617	(109,698)	53,523	(58,268)	(158,664)
Basic and diluted earnings/(loss) per share attributable to the equity holders of the parent for the period: (expressed in cents per share)	1.4	(6.9)	3.3	(3.7)	(10.1)

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

FirstCaribbean International Bank Limited

Condensed Consolidated Financial Statements

For the six months ended 30 April, 2021 (expressed in thousands of United States dollars)

FirstCaribbean International Bank

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Unaudited Quarter ended		Unaudited Six months ended		Audited Year ended
	Apr 30, 2021	Apr 30, 2020	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Net income/(loss) for the period	22,617	(109,698)	53,523	(58,268)	(158,664)
Other comprehensive (loss)/income (net of tax) to be reclassified to net income in subsequent periods					
Net (losses)/gains on debt securities at fair value through OCI	(4,671)	263	(6,455)	3,356	18,443
Net exchange losses on translation of foreign operations	(2,887)	(1,926)	(3,596)	(2,009)	(3,984)
	(7,558)	(1,663)	(10,051)	1,347	14,459
Other comprehensive income (net of tax) not to be reclassified to net income in subsequent periods:					
Re-measurement gains of retirement benefit obligations	-	-	-	-	27,471
Other comprehensive (loss)/income for the period, net of tax	(7,558)	(1,663)	(10,051)	1,347	41,930
Comprehensive income/(loss) for the period, net of tax	15,059	(111,361)	43,472	(56,921)	(116,734)
Comprehensive income/(loss) for the period attributable to:					
Equity holders of the parent	14,072	(110,207)	41,801	(56,974)	(118,184)
Non-controlling interests	987	(1,154)	1,671	53	1,450
	15,059	(111,361)	43,472	(56,921)	(116,734)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended		Audited Year ended
	Apr 30, 2021	Apr 30, 2020	Oct 31, 2020
Net cash from operating activities	86,523	448,306	582,782
Net cash from/(used in) investing activities	488,466	(190,467)	(386,413)
Net cash used in financing activities	(11,189)	(107,925)	(163,816)
Net increase in cash and cash equivalents for the period	563,800	149,914	32,553
Effect of exchange rate changes on cash and cash equivalents	(3,596)	(2,009)	(3,984)
Cash and cash equivalents, beginning of the period	1,917,129	1,888,560	1,888,560
Cash and cash equivalents, end of the period	2,477,333	2,036,465	1,917,129

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

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited April 30, 2021				
	RBB	CIB	WM	Admin	Total
Six months ended					
External revenue	73,143	84,083	614	26,532	184,372
Internal revenue	2,640	4,834	9,302	(16,776)	-
Net interest income	75,783	88,917	9,916	9,756	184,372
Operating income	33,689	32,271	21,804	(312)	87,452
Total revenue	109,472	121,188	31,720	9,444	271,824
Depreciation	4,088	994	872	13,679	19,633
Operating expenses	47,318	18,153	17,631	98,837	181,939
Indirect expenses	51,160	43,988	13,570	(108,718)	-
Credit loss expense on financial assets	10,836	2,647	405	(1,287)	12,601
Income before taxation	(3,930)	55,406	(758)	6,933	57,651
Income tax expense	(4,093)	5,767	115	2,339	4,128
Net income for the period	163	49,639	(873)	4,594	53,523
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	2,591,092	3,811,743	201,931	5,659,979	12,264,745
Segment liabilities	4,306,781	4,323,092	2,494,617	90,130	11,214,620

CONDENSED CONSOLIDATED SEGMENT INFORMATION *Continued*

	Unaudited April 30, 2020				
	RBB	CIB	WM	Admin	Total
Six months ended					
External revenue	76,765	91,766	(3,228)	40,406	205,709
Internal revenue	12,663	12,155	25,631	(50,449)	-
Net interest income	89,428	103,921	22,403	(10,043)	205,709
Operating income	35,582	35,963	23,799	4	95,348
Total revenue	125,010	139,884	46,202	(10,039)	301,057
Depreciation	4,108	757	601	13,111	18,577
Operating expenses	52,549	19,016	16,984	98,207	186,756
Indirect expenses	49,680	45,274	15,998	(110,952)	-
Credit loss expense on financial assets	46,488	43,987	244	15,424	106,143
Impairment of intangible assets	-	-	-	50,669	50,669
Loss before taxation	(27,815)	30,850	12,375	(76,498)	(61,088)
Income tax credit	(5,175)	1,120	241	994	(2,820)
Net loss for the period	(22,640)	29,730	12,134	(77,492)	(58,268)
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	2,585,598	3,739,890	158,663	5,424,302	11,908,453
Segment liabilities	4,045,789	3,828,792	2,832,402	93,491	10,800,474

	Audited October 31, 2020				
	RBB	CIB	WM	Admin	Total
Year ended					
External revenue	151,624	174,557	(3,434)	69,111	391,858
Internal revenue	18,714	26,960	43,204	(88,878)	-
Net interest income	170,338	201,517	39,770	(19,767)	391,858
Operating income	68,673	64,946	46,847	(394)	180,072
Total revenue	239,011	266,463	86,617	(20,161)	571,930
Depreciation	9,332	1,682	1,597	26,768	39,379
Operating expenses	102,488	37,759	33,418	183,185	356,850
Indirect expenses	94,784	85,003	31,508	(211,295)	-
Credit loss expense on financial assets	91,711	51,231	2,201	15,392	160,535
Impairment of intangible assets	-	-	-	174,589	174,589
Loss before taxation	(59,304)	90,788	17,893	(208,800)	(159,423)
Income tax credit	(9,988)	6,517	345	2,367	(759)
Net loss for the year	(49,316)	84,271	17,548	(211,167)	(158,664)
Balance as at					
Total assets and liabilities by segment are as follows:					
Segment assets	2,580,321	3,833,689	163,123	5,602,296	12,179,429
Segment liabilities	4,133,536	3,947,650	2,891,337	198,181	11,170,704

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.

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, 2020, included in the Group's Annual Report 2020. 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.