

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

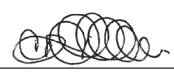
FORWARD-LOOKING STATEMENT DISCLOSURE

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 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
Total revenue	183,095	140,619	366,975	284,793	599,280
Operating expenses	103,296	94,651	210,333	193,531	397,822
Credit loss expense/(release) on financial assets	5,268	(7,900)	6,404	(15,146)	(897)
	108,564	86,751	216,737	178,385	396,925
Income before taxation	74,531	53,868	150,238	106,408	202,355
Income tax expense	4,117	11,652	9,248	17,308	24,091
Net income for the period from continuing operations	70,414	42,216	140,990	89,100	178,264
Net gain/(loss) for the period from discontinued operations	6,078	(2,336)	3,591	(4,045)	(1,867)
Net loss for the period from discontinuing operations	-	-	-	-	(4)
Net Income for the period	76,492	39,880	144,581	85,055	176,393
Attributable to:					
Equity holders of the parent	74,970	39,062	141,691	83,656	173,036
Non-controlling interests	1,522	818	2,890	1,399	3,357
	76,492	39,880	144,581	85,055	176,393
Basic and diluted earnings per share from continuing operations attributable to the equity holders of the parent for the period: (expressed in cents per share)	4.4	2.6	8.8	5.6	11.1
Basic and diluted earnings per share attributable to the equity holders of the parent for the period: (expressed in cents per share)	4.8	2.5	9.0	5.3	11.0

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:					
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*

Year ended	Unaudited October 31, 2022				Total
	RBB	CIB	WM	Admin	
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.