

FIRSTCARIBBEAN INTERNATIONAL BANK LIMITED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended January 31, 2016 (expressed in thousands of United States dollars)



CIBC FirstCaribbean
International Bank

CHIEF EXECUTIVE OFFICER'S REVIEW

For the three months ended January 31, 2016, the Bank recorded net income of \$38.7 million, a significant improvement in performance when compared with net income of \$26.6 million for the corresponding period last year.

Total revenue was \$138.2 million, up \$8.3 million or 6% compared with the same period last year primarily due to lower funding costs, higher loan earnings and higher operating income. Productive loan growth has started to show some encouraging signs despite economies being slow to recover and sustained credit demand not yet returning to the region. Sustainable profitable growth remains a key priority for the Bank.

Operating expenses of \$90.4 million were up by \$5.3 million compared with the same period in the prior year primarily as a result of higher business taxes and capital related spend. We continue to benefit from discretionary expense control and ongoing savings from the restructuring program initiated in 2014.

Loan loss impairment expense was significantly down by \$11.6 million or 71% compared with the same period in the prior year due to an improving loss experience and loan recovery activity. Additionally, non-productive loan balances continue to decline as significant focus is placed on further strengthening the quality of our loan portfolio.

After paying a regular dividend of 2.0 cents (\$0.02) per share along with a special dividend of 5.0 cents (\$0.06) per share in the last quarter, the Bank's Net and Total Capital ratios still remain strong at 18.2% and 18.5%, well in excess of applicable regulatory requirements.

The Bank ceased banking operations in Belize effective January 31, 2016 following the decision to exit the market which was announced in 2015. We wish to thank Belize customers and staff for their service and patronage over the years.

The Bank's newest, ultramodern, Finance Centre at Rendezvous, Barbados opened its doors at the end of the first quarter to cater to platinum, business banking and retail customers. The investment further signifies the Bank's ongoing commitment to growing its franchise and offering customers a best-in-class service and experience.

We again wish to thank the local management staff and most importantly our customers for their loyalty and continuing support.

Gary Brown
Chief Executive Officer
March 11, 2016

FORWARD LOOKING STATEMENT DISCLOSURE

This report may contain forward-looking statements, including statements about our financial condition, results of operations, earnings outlook, anticipated growth and profitability. Forward-looking statements, provide management's current expectations or forecasts of future events and, by their nature, are subject to significant uncertainty. Although management believes that the expectations and forecasts reflected in these forward-looking statements are reasonable, caution is nevertheless advised. These forward-looking statements are based on currently available information and a variety of inputs including: (1) analysis of internal data; (2) changes in legal requirements or fiscal policy; (3) changes in economic conditions; (4) the condition of the local economies in which we have significant operations or offices; (5) interest rate movements; (6) inflationary impact credit quality trends and our ability to generate loans; (7) increased competitive pressure among financial center companies; (8) the ability to successfully execute strategic initiatives designed to capture economies of scale or manage risk; (9) consummation of significant business combinations or acquisitions; (10) operational and management changes due to its acquisition or other factors; (11) geopolitical risks; (12) policies, requirements or expectations; (13) real legal obligations or restrictions or unfavorable resolution of litigation; (14) adverse capital markets conditions; (15) disruption in the economic and general business climate as a result of terrorist activities or military actions; and (16) changes in accounting or tax practices or requirements. Forward-looking statements are not guarantees of future performances and should not be relied upon as representing management's assess 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 log on to FirstCaribbean International Bank Limited's financial website at www.firstcaribbean.com.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited January 31, 2016	Unaudited January 31, 2015	Audited October 31, 2015
Assets			
Cash and balances with Central Banks and due from banks	2,031,473	2,162,067	1,601,781
Loans and advances to customers	6,011,541	5,056,535	6,099,521
Investment securities	2,305,780	2,344,872	2,331,097
Property and equipment	140,404	121,498	139,701
Other assets	202,304	176,313	151,100
Intangible assets	218,961	218,961	218,961
Total assets	10,911,465	12,391,036	10,540,636
Assets of a disposal group classified as held for sale			
	135,226	-	140,117
Total assets	11,046,691	12,391,036	10,680,753
Liabilities			
Customer deposits and other borrowed funds	8,216,971	9,371,205	2,696,740
Other liabilities	221,449	212,906	267,390
Borrowed securities in issue	207,207	153,515	208,890
	9,645,577	9,723,626	9,172,930
Liabilities of a disposal group classified as held for sale	120,323	-	123,616
Total liabilities	9,765,300	9,723,626	9,196,757
Equity attributable to equity holders of the parent			
Issued capital and reserves	915,186	902,254	919,779
Retained earnings	339,647	306,263	323,575
	1,254,833	1,208,517	1,243,354
Non-controlling interests	25,958	15,137	25,598
Total equity	1,280,791	1,204,250	1,268,861
Total liabilities and equity	11,046,691	11,042,016	10,680,753

Note: Results have been converted to US\$ at exchange rate of US\$1 = BBD\$2

Gary Brown
Chief Executive Officer

Sir Allan Pickett
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, 2014	1,193,149	(275,904)	367,094	22,397	1,037,651
Comprehensive income for the period:					
Transfer to reserves		(15,652)	29,973	523	10,839
Equity dividends		666	(666)	-	-
Dividends of subsidiaries			(23,352)	-	(23,352)
			(749)	-	(749)
Balance at January 31, 2015	1,193,149	(280,693)	298,964	33,172	1,034,390
Balance at October 31, 2015	1,193,149	(273,471)	454,625	25,998	1,080,601
Comprehensive income for the period:					
Transfer to reserves		(5,560)	37,777	823	10,240
Equity dividends		3,683	(3,683)	-	-
Dividends of subsidiaries			(102,187)	-	(102,187)
			(663)	-	(663)
Balance at January 31, 2016	1,193,149	(277,963)	339,647	25,958	1,080,791

Note: Results have been converted to US\$ at exchange rate of US\$1 = BBD\$2

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Three months ended January 31, 2016	Unaudited Three months ended January 31, 2015	Audited Year ended October 31, 2015
Interest and similar income	108,312	105,217	435,810
Interest and similar expense	15,283	20,670	73,311
Net interest income	92,959	82,045	362,699
Operating income	45,220	41,342	159,676
	138,179	129,385	322,375
Operating expenses	90,422	85,162	370,111
Loan loss impairment	4,141	15,740	41,502
	94,563	100,902	411,613
Income before foreign	43,616	24,981	110,750
Income tax expense	4,927	2,304	12,823
Net Income for the period	30,688	26,619	97,932
Attributable to:			
Equity holders of the parent	37,777	25,973	96,703
Non-controlling interests	912	645	3,725
	38,689	26,619	97,932

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

	2.4	1.6	6.0
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Note: Results have been converted to US\$ at exchange rate of US\$1 = BBD\$2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three months ended January 31, 2016	Unaudited Three months ended January 31, 2015	Audited Year ended October 31, 2015
Net Income for the period	30,689	26,619	97,932
Other comprehensive loss (net of tax) to be reclassified to net income or loss in subsequent periods			
Net losses on available-for-sale investment securities	(6,281)	(12,327)	(9,553)
Exchange losses on translation of foreign operations	(2,168)	(3,255)	(2,845)
	(8,449)	(15,780)	(11,432)
Other comprehensive loss (net of tax) not to be reclassified to net income or loss in subsequent periods			
Re-measurement gains on retirement benefit obligations			10,652
Other comprehensive loss for the period, net of tax	(8,449)	(15,780)	(6,220)
Comprehensive income for the period, net of tax	30,240	10,819	91,152
Comprehensive income for the period attributable to:			
Equity holders of the parent	29,017	10,316	87,355
Non-controlling interests	823	323	4,097
	30,240	10,639	91,152

Note: Results have been converted to US\$ at exchange rate of US\$1 = BBD\$2

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months ended January 31, 2016	Audited Year ended October 31, 2015
Net cash flows/(used in) operating activities	449,995	(70,417)
Net cash from/(used in) investing activities	23,845	(2,171)
Net cash (used in)/from financing activities	<u>(133,708)</u>	99,760
Net increase in cash and cash equivalents for the period	339,132	16,962
Effect of exchange rate changes on cash and cash equivalents	(7,193)	(7,891)
Cash and cash equivalents, beginning of the period	<u>1,386,387</u>	1,376,181
Cash and cash equivalents, end of the period	1,723,346	<u>1,386,387</u>

436. Amounts have been converted to US\$ at an exchange rate of 1.26 to 1.00 USD.

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited January 31, 2016				
	RB	WB	WM	Admin	Total
External revenues					
Revenues from other segments	50,074	52,570	10,420	21,713	138,179
	<u>3,775</u>	<u>1,359</u>	<u>7,602</u>	<u>(17,214)</u>	<u>-</u>
Total Revenues	<u>51,827</u>	<u>53,929</u>	<u>18,102</u>	<u>8,901</u>	<u>138,179</u>
Segment Results					
Income tax expense	(1,291)	20,616	7,314	16,747	42,616
					<u>4,571</u>
Net Income for the period					<u>38,639</u>
Segment Assets					
Unallocated assets	2,565,640	3,196,140	42,649	5,000,542	10,703,329
					<u>15,616</u>
Assets of a disposal group classified as held for sale	(76,570)	104,402	-	105,104	135,226
Total assets					<u>11,046,691</u>
Segment Liabilities					
Undisbursed liabilities	3,460,590	3,049,489	2,111,608	403,320	9,634,067
					<u>11,510</u>
Liabilities of a disposal group classified as held for sale	34,170	95,744	-	-	120,724
Total liabilities					<u>9,765,800</u>
	Audited October 31, 2015				
	RB	WB	WM	Admin	Total
External revenues					
Revenues from other segments	183,758	208,017	50,204	76,294	522,273
	<u>10,857</u>	<u>10,267</u>	<u>26,667</u>	<u>(46,085)</u>	<u>-</u>
Total Revenues	<u>194,615</u>	<u>218,759</u>	<u>50,671</u>	<u>26,202</u>	<u>522,271</u>
Segment Results					
Income tax expense	122,085	48,157	22,666	51,697	110,735
					<u>12,923</u>
Net income for the year					<u>97,932</u>
Segment Assets					
Unallocated assets	2,292,725	3,099,409	215,056	4,073,050	12,380,884
					<u>255,952</u>
Assets of a disposal group classified as held for sale	(70,652)	92,575	-	126,746	148,717
Total assets					<u>10,639,373</u>
Segment Liabilities					
Undisbursed liabilities	1,919,774	2,051,342	3,137,799	418,910	9,163,225
					<u>11,911</u>
Liabilities of a disposal group classified as held for sale	45,416	38,700	-	-	133,616
Total liabilities					<u>9,300,752</u>
	Unaudited January 31, 2015				
	RB	WB	WM	Admin	Total
External revenues					
Revenues from other segments	46,664	52,035	9,971	21,267	129,884
	<u>1,538</u>	<u>2,047</u>	<u>7,716</u>	<u>(11,300)</u>	<u>-</u>
Total Revenues	<u>48,202</u>	<u>53,080</u>	<u>17,637</u>	<u>9,966</u>	<u>129,884</u>
Segment Results					
Income tax expense	17,427	10,853	6,630	18,867	28,983
					<u>2,361</u>
Net income for the period					<u>76,174</u>
Segment Assets					
Unallocated assets	2,419,056	3,153,029	21,590	5,197,761	10,789,842
					<u>254,111</u>
Total assets					<u>11,043,016</u>
Segment Liabilities					
Undisbursed liabilities	3,496,274	3,773,294	3,078,200	370,846	9,718,524
					<u>5,110</u>
Total Liabilities					<u>9,723,634</u>

Note 1:

1. The Group's operations are organized into four segments, Retail Banking ("RB"), Wholesale Banking ("WB"), 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 Administration segment results include the earnings on economic capital and capital charges for Treasury and the effect of the same for RB, WB, and WM. Effective November 2015, International Wealth previously reported in Wealth Management was reclassified to Retail and Business Banking. Prior period disclosures were amended to conform to this current presentation basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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, 2015, included in the Group's Annual Report 2015. 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 the final regular dividend as well as a special dividend for the fiscal year ended October 31, 2015, as approved by the Board of Directors in December 2015, in the amount of two United States cents per share (US\$0.02 per share) and six United States cents per share (US\$0.06 per share) were paid.