

CHIEF EXECUTIVE OFFICER’S REVIEW

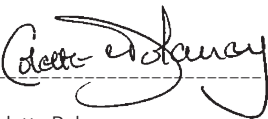
FirstCaribbean International Bank Limited reported net income of \$51 million for second quarter of fiscal 2019, an increase of \$7 million or 16% from the second quarter’s net income of \$44 million in the prior year. On an adjusted basis, net income was \$50 million after adjusting for \$1 million in items of note relating to the release of credit loss allowances related to hurricanes in 2017.

For the six months ended April 30, 2019, we reported adjusted net income¹ of \$95 million, up \$15 million or 19% compared to the same period last year² of \$79 million.

The Bank’s improved performance was driven by increased revenue due to higher volumes and interest margins as well as lower credit losses primarily as a result of model changes. This was partially offset by increased expenses and the write-off of an income tax receivable, which was considered no longer recoverable.

The Board of Directors approved a regular quarterly dividend of \$0.0125 per share, to be paid on July 5, 2019 to shareholders of record on June 21, 2019. They also announced a special dividend of \$25 million (\$0.0159 per share) signifying our commitment to enhancing shareholder returns. We continue to maintain strong capital levels in excess of applicable regulatory requirements and at the end of the quarter, Tier 1 and Total Capital ratios were 14.1% and 15.6% respectively.

I would like to acknowledge the continued contribution of our clients, employees, shareholders and directors to the performance of our Bank.



Colette Delaney
Chief Executive Officer
June 6, 2019

¹YTD Net Income adjusted for deferred tax assets write-off (\$21.9MM), incremental credit provision for Barbados Government USD debt (\$4.4MM) and 2017 hurricane credit losses provision release (\$5.5MM)
²YTD PY expenses adjusted for hurricane related insurance recoveries (\$2.8MM)

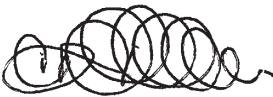
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Apr 30, 2019	Unaudited Apr 30, 2018	Audited Oct 31, 2018
Assets			
Cash, balances with Central Banks and due from banks	2,559,332	2,502,245	2,085,622
Loans and advances to customers	6,044,571	6,374,027	5,904,651
Securities	2,323,935	2,299,424	2,384,473
Property and equipment	161,091	158,727	165,806
Other assets	174,141	241,028	236,487
Intangible assets	218,961	218,961	218,961
Total assets	11,482,031	11,794,412	10,996,000
Liabilities			
Customer deposits and other borrowed funds	10,068,353	10,253,698	9,536,530
Other liabilities	124,353	185,001	215,758
Debt securities in issue	90,315	116,744	90,918
Total liabilities	10,283,021	10,555,443	9,843,206
Equity attributable to equity holders of the parent			
Issued capital and reserves	973,113	1,000,762	951,834
Retained earnings	196,623	208,140	173,117
	1,169,736	1,208,902	1,124,951
Non-controlling interests	29,274	30,067	27,843
Total equity	1,199,010	1,238,969	1,152,794
Total liabilities and equity	11,482,031	11,794,412	10,996,000

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			Non-controlling Interests	Total Equity
	Issued Capital	Reserves	Retained Earnings		
Balance at October 31, 2017	1,193,149	(189,383)	373,449	29,039	1,406,254
Comprehensive income for the period	-	(11,725)	79,919	2,006	70,200
Transfer to reserves	-	8,721	(8,721)	-	-
Equity dividends	-	-	(236,507)	-	(236,507)
Dividends of subsidiaries	-	-	-	(978)	(978)
Balance at April 30, 2018	1,193,149	(192,387)	208,140	30,067	1,238,969
Balance at October 31, 2018	1,193,149	(241,315)	173,117	27,843	1,152,794
Comprehensive income for the period	-	12,340	71,366	2,466	86,172
Transfer to reserves	-	8,939	(8,939)	-	-
Equity dividends	-	-	(38,921)	-	(38,921)
Dividends of subsidiaries	-	-	-	(1,035)	(1,035)
Balance at April 30, 2019	1,193,149	(220,036)	196,623	29,274	1,199,010

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Unaudited Quarter ended Apr 30, 2019	Unaudited Quarter ended Apr 30, 2018	Unaudited 6 months ended Apr 30, 2019	Unaudited 6 months ended Apr 30, 2018	Audited Year ended Oct 31, 2018
Interest and similar income	122,903	116,962	243,603	233,674	474,084
Interest and similar expense	16,610	14,968	33,235	31,176	64,141
Net interest income	106,293	101,994	210,368	202,498	409,943
Operating income	45,133	43,405	94,805	86,334	171,476
	151,426	145,399	305,173	288,832	581,419
Operating expenses	98,576	96,754	197,984	190,961	386,660
Credit loss (reversal)/expense on financial assets	(6,776)	3,090	493	8,478	101,770
	91,800	99,844	198,477	199,439	488,430
Income before taxation	59,626	45,555	106,696	89,393	92,989
Income tax expense/(credit)	8,527	1,700	33,082	7,302	(7,823)
Net income for the period	51,099	43,855	73,614	82,091	100,812
Attributable to:					
Equity holders of the parent	49,797	42,772	71,366	79,919	96,741
Non-controlling interests	1,302	1,083	2,248	2,172	4,071
	51,099	43,855	73,614	82,091	100,812
Basic and diluted earnings per share attributable to the equity holders of the parent for the period: (expressed in cents per share)	3.2	2.7	4.5	5.1	6.1

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, 2019 (expressed in thousands of United States dollars)



FirstCaribbean
International Bank

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended Apr 30, 2019	Unaudited Quarter ended Apr 30, 2018	Unaudited 6 months ended Apr 30, 2019	Unaudited 6 months ended Apr 30, 2018	Audited Year ended Oct 31, 2018
Net income for the period	51,099	43,855	73,614	82,091	100,812
Other comprehensive income/(loss) (net of tax) to be reclassified to net income in subsequent periods					
Net income/(loss) on debt instruments at fair value through OCI	9,013	(4,971)	18,575	(12,497)	(39,108)
Net exchange (loss)/income on translation of foreign operations	(605)	281	(3,711)	1,967	146
	8,408	(4,690)	14,864	(10,530)	(38,962)
Other comprehensive loss (net of tax) not to be reclassified to net income in subsequent periods:					
Re-measurement loss of retirement benefit obligations	-	-	(2,306)	(1,361)	(15,363)
Other comprehensive income/(loss) for the period, net of tax	8,408	(4,690)	12,558	(11,891)	(54,325)
Comprehensive income for the period, net of tax	59,507	39,165	86,172	70,200	46,487
Comprehensive income for the period attributable to:					
Equity holders of the parent	57,984	38,073	83,706	68,194	42,621
Non-controlling interests	1,523	1,092	2,466	2,006	3,866
	59,507	39,165	86,172	70,200	46,487

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended Apr 30, 2019	Audited Year ended Oct 31, 2018
Net cash from/(used in) operating activities	421,562	(401,122)
Net cash from investing activities	111,175	1,158
Net cash used in financing activities	(42,720)	(428,700)
Net increase/(decrease) in cash and cash equivalents for the period	490,017	(828,664)
Effect of exchange rate changes on cash and cash equivalents	(3,760)	146
Cash and cash equivalents, beginning of the period	1,684,077	2,512,595
Cash and cash equivalents, end of the period	2,170,334	1,684,077

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

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Unaudited Apr 30, 2019				
	RBB	CIB	WM	Admin	Total
External revenue	77,454	91,292	(4,431)	46,053	210,368
Internal revenue	10,980	4,923	30,349	(46,252)	-
Net interest income	88,434	96,215	25,918	(199)	210,368
Operating income	37,961	30,200	24,114	2,530	94,805
	126,395	126,415	50,032	2,331	305,173
Depreciation	3,945	1,360	226	7,922	13,453
Operating expenses	51,976	15,562	17,167	99,826	184,531
Indirect expenses	44,264	45,431	17,941	(107,636)	-
Credit loss expense on financial assets	(6,501)	4,283	(66)	2,777	493
Income before taxation	32,711	59,779	14,764	(558)	106,696
Income tax expense	986	7,279	(14)	24,831	33,082
Net income for the period	31,725	52,500	14,778	(25,389)	73,614
Total assets and liabilities by segment are as follows:					
Segment assets	1,510,420	5,191,240	2,385,386	2,394,985	11,482,031
Segment liabilities	3,837,726	3,570,474	2,752,421	122,400	10,283,021

CONDENSED CONSOLIDATED SEGMENT INFORMATION *Continued*

	Unaudited Apr 30, 2018				
	RBB	CIB	WM	Admin	Total
External revenue	75,378	85,264	(5,173)	47,029	202,498
Internal revenue	8,698	1,084	27,491	(37,273)	-
Net interest income	84,076	86,348	22,318	9,756	202,498
Operating income	31,365	31,366	22,784	819	86,334
	115,441	117,714	45,102	10,575	288,832
Depreciation	3,464	1,410	411	6,085	11,370
Operating expenses	46,584	15,581	16,234	101,192	179,591
Indirect expenses	48,064	44,051	15,508	(107,623)	-
Credit loss expense on financial assets	3,971	5,550	-	(1,043)	8,478
Income before taxation	13,358	51,122	12,949	11,964	89,393
Income tax expense	(2,208)	5,473	(386)	4,423	7,302
Net income for the period	15,566	45,649	13,335	7,541	82,091
Total assets and liabilities by segment are as follows:					
Segment assets	1,990,632	5,014,819	2,665,707	2,123,254	11,794,412
Segment liabilities	3,736,704	3,562,921	3,086,613	169,205	10,555,443

	Audited Oct 31, 2018				
	RBB	CIB	WM	Admin	Total
External revenue	151,985	179,488	(10,360)	88,830	409,943
Internal revenue	19,360	855	53,673	(73,888)	-
Net interest income	171,345	180,343	43,313	14,942	409,943
Operating income	77,619	45,459	48,871	(473)	171,476
	248,964	225,802	92,184	14,469	581,419
Depreciation	9,098	1,054	749	14,030	24,931
Operating expenses	95,486	25,408	33,837	206,998	361,729
Indirect expenses	109,651	76,912	30,615	(217,178)	-
Credit loss expense on financial assets	16,295	29,123	433	55,919	101,770
Income before taxation	18,434	93,305	26,550	(45,300)	92,989
Income tax credit	(5,668)	8,267	(681)	(9,741)	(7,823)
Net income for the year	24,102	85,038	27,231	(35,559)	100,812
Total assets and liabilities by segment are as follows:					
Segment assets	2,580,702	3,395,765	90,376	4,929,157	10,996,000
Segment liabilities	3,673,849	3,406,377	2,526,599	236,381	9,843,206

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 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, 2018, included in the Group's Annual Report 2018. 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, 2019 first quarter dividend of one point two five United States cents (\$0.0125) per share was paid on April 26, 2019. The Board of Directors has approved the 2019 second quarter regular dividend of one point two five United States cents (\$0.0125) per share and a special dividend of one point five nine United States cents (\$0.0159) per share, both to be paid July 5, 2019 to shareholders of record as of June 21, 2019.