



FirstCaribbean International Bank (Cayman) Limited
Market Discipline Disclosures (Pillar 3)
For the period ended April 30, 2023

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1. Overview and Purpose¹

This document contains the Market Discipline Disclosures (Pillar 3) for the period ended April 30, 2023, in respect of capital and risk management for FirstCaribbean International Bank (Cayman) Limited (“the Bank”).

The information contained in this Pillar 3 disclosure has been prepared in accordance with the Market Discipline Disclosure Requirements (Pillar 3) Rules and Guidelines (September 1, 2021) issued by the Cayman Islands Monetary Authority.

The aim of Pillar 3 is to encourage market discipline by allowing market participants to access key pieces of information regarding capital adequacy and risk management of institutions through a prescribed set of disclosure requirements.

These disclosures were reviewed and approved internally in line with our Board approved disclosure policy. The level of internal control processes for these disclosures are similar to those applied to the Bank’s annual Financial Reports.

All amounts in this document are in thousands of United States dollars, unless otherwise stated.

¹ The information contained in this disclosure has not and is not required to be audited by the Group’s external auditors and does not constitute any form of financial statement. The information should not be relied on in the making any judgement on the Group.

2. Overview of Risk Management and Risk Weighted Assets (RWA)

2.1 OV1 - Overview of Risk Weighted Assets

The Risk Weighted Assets (RWA) are categorized under various risk frameworks and are calculated based on regulatory requirements.

Template OV1 US\$'000

		a	b	c
		RWA		Minimum capital requirements
		Apr 2023	Jan 2023	Apr 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	2,043,341	2,097,937	286,068
2	Securitisation exposures	-	-	-
3	Counterparty credit risk	3,362	2,527	471
4	Of which: current exposure method	3,362	2,527	471
5	Of which: standardized method	-	-	-
6	Market risk	17,050	13,885	2,387
7	Of which: Equity risk	-	-	-
8	Operational risk	242,182	242,182	33,905
9	Of which: Basic Indicator Approach	242,182	242,182	33,905
10	Of which: Standardised Approach	-	-	-
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	2,305,935	2,356,531	322,831

Decrease in the RWA for credit risk was mainly due to repayments on the loan portfolio.

3. Capital

3.1 CAP - Details on the Bank's Capital, including specific Capital Instruments

The top corporate entity to which these rules and guidelines apply is FirstCaribbean International Bank (Cayman) Limited

Entities within the Bank include the following, which are all fully consolidated:

- ***FirstCaribbean International Bank (Cayman) Limited:*** a wholly owned subsidiary of FirstCaribbean International Bank Limited (“the Parent”), a company incorporated in Barbados. The major shareholder and ultimate parent of the Parent is CIBC, a company incorporated in Canada.

The entity holds a Category “A” Banking Licence issued under the Banks and Trust Companies Act of the Cayman Islands, an Insurance Agent’s Licence under the Insurance Law, and a Securities Investment Business Licence issued under the Securities Investment Business Act (Revised). The entity is principally engaged in the provision of full retail and corporate banking services in the following markets: Cayman Islands, Curacao, St. Maarten and the British Virgin Islands. The entity also offers Investment Advisory services in Curacao and Cayman.

- ***FirstCaribbean International Bank (Curacao) N.V.:*** a wholly owned subsidiary of FirstCaribbean International Bank (Cayman) Limited

The entity holds a Banking License issued under the National Ordinance on the Supervision of Banking and Credit Institutions. The entity is principally engaged in the provision of offshore corporate banking, wealth management and investment advisory services.

- ***FirstCaribbean International Finance Corporation (Netherlands Antilles) Limited:*** a wholly owned subsidiary of FirstCaribbean International Bank (Cayman) Limited.

The entity is a special purpose entity used to provide intercompany United States Dollar (“USD”) funding between the branches of the Bank.

- ***FirstCaribbean International Bank (Cayman) Nominees Company Limited:*** a wholly owned subsidiary of FirstCaribbean International Bank (Cayman) Limited.

The entity acts as a custodian of securities in its capacity as nominee agent on behalf of the parent company.

There are no differences in the basis of consolidation applied for accounting and regulatory purposes.

There are no restriction or other major impediments, on transfer of funds or regulatory capital, subject to applicable regulatory requirements.

The profile consists of standard equity components (Paid up Capital, Reserves and Retained Earnings) adjusted by components of the balance sheet as called for by prevailing regulatory guidelines. There are no complex or hybrid capital instruments in the Bank’s capital profile.

Overall, the Bank seeks to employ a strong and efficient capital structure while optimizing return on equity profile and capital utilisation. The Bank's capital profile and related exposures are managed to ensure that prescribed regulatory requirements are met at all times including during periods of mild and severe economic stress based on internal models.

The Bank utilises a formal Internal Capital Adequacy Assessment Process (ICAAP) in assessing its capital needs annually. This process incorporates projected earnings and financial results over a three year planning horizon, assessment of all relevant key risks and stress testing to ensure the adequacy of the capital profile to satisfy business growth objectives, unplanned losses if any and minimum regulatory requirements.

Capital utilisation is continually monitored and evaluated to ensure that strategic business objectives and regulatory requirements are satisfied. Capital profiles and risk exposures are routinely analysed, measured and reported internally within the organisation with focused discussions held monthly at formal management meetings. Capital metrics are reported to the Board of Directors quarterly.

The Bank is subject to a Minimum Capital Requirement set out in the Cayman Islands Monetary Authority's Rules, Conditions and Guidelines on Minimum Capital Requirements. The Minimum Capital Requirement principally comprises of Credit Risk, Market Risk and Operational Risk requirements.

The table below highlights the composition of capital, minimum capital required and capital adequacy ratios.

Capital Composition
US\$'000

	FirstCaribbean International Bank (Cayman) Limited - Consolidated		FirstCaribbean International Bank (Cayman) Limited - Unconsolidated		FirstCaribbean International Bank (Curacao) N.V.	
	Apr 2023	Oct 2022	Apr 2023	Oct 2022	Apr 2023	Oct 2022
Tier 1 Capital						
Paid up capital	294,790	294,790	294,790	294,790	8,000	8,000
Disclosed Reserves						
Share Premium	307,800	307,800	307,800	307,800	-	-
Retained Earnings	233,838	209,458	179,348	128,649	110,528	101,227
General Reserves	(365,397)	(365,397)	(365,397)	(365,397)	21,971	21,971
Contributed surplus	16,999	16,999	16,999	16,999	-	-
Total Tier 1 Capital	488,030	463,650	433,540	382,841	140,499	131,198
Deductions from Tier 1 Capital						
Goodwill	50,436	50,436	50,436	50,436	-	-
50/50 pro rata basis deduction	-	-	4,000	4,000	-	-
Total Deductions from Tier 1 Capital	50,436	50,436	54,436	54,436	-	-
Net Tier 1 Capital	437,594	413,214	379,104	328,405	140,499	131,198
Tier 2 Capital						
General Provisions	28,288	29,952	26,115	27,580	2,173	2,866
Asset Revaluation Reserve	(2,700)	(4,610)	(2,513)	(4,319)	(414)	(646)
Current year's earnings	57,734	70,128	48,121	96,449	-	-
Total Tier 2 Capital	83,322	95,470	71,723	119,710	1,759	2,220
Deduction from Tier 2 Capital						
50/50 pro rata basis deduction	-	-	4,000	4,000	-	-
Total Deductions from Tier 2 Capital	-	-	4,000	4,000	-	-
Net Tier 2 Capital	83,322	95,470	67,723	115,710	1,759	2,220
Available Capital Base	520,916	508,684	446,827	444,115	142,258	133,418

Minimum Capital Required

Credit Risk	286,539	297,831	281,322	297,386	30,068	21,658
Market Risk	2,387	2,239	2,130	2,239	3,486	4,568
Operational Risk	33,905	34,488	33,430	29,865	2,387	2,569
Total	322,831	334,558	316,882	329,490	35,941	28,795

Capital Adequacy Ratios

Tier I	19.0%	17.2%	16.8%	13.9%	31.3%	36.5%
Total Tier I & II	22.6%	21.2%	19.7%	18.8%	31.7%	37.1%

The main driver for the increase in the available capital base was the profits earned during the period. Earnings for FirstCaribbean International Bank (Curacao) N.V. are included in the Retained Earnings in Tier 1 as required under Central Bank of Curacao & St Maarten's Basel II/III guidelines.

4. Credit Risk

4.1 CR1 - Credit Quality of Assets

Provides information on the credit quality of the bank's (On and Off Balance Sheet) Assets.

The Bank considers a financial instrument defaulted/impaired and therefore credit-impaired for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As it relates to debt securities, when one of the rating agencies (Moody's & S&P) downgrades the debt securities to default status or the counterparty declares their inability to repay (self-identified default).

Template CR1 US\$'000

Item	Gross carrying values of:		Allowances/ impairments (c)	Net values (a+b-c) (d)
	Defaulted exposures (a)	Non-defaulted exposures (b)		
1 Loans	44,798	2,128,647	36,202	2,137,243
2 Debt Securities	-	814,527	1,291	813,236
3 Off-balance sheet exposures	-	535,388	3,051	532,337
4 Total	44,798	3,478,562	40,544	3,482,816

4.2 CR2 - Changes in Stock of Defaulted Loans and Debt Securities

Provides information on the changes in the bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

Template CR2 US\$'000

Items		Changes During the Period (a)
1	Defaulted loans and debt securities at end of the previous reporting period	33,190
2	Loans and debt securities that have defaulted since the last reporting period ¹	19,395
3	Returned to non-defaulted status	-
4	Amounts written off	(2,172)
5	Other changes	(5,615)
6	Defaulted loans and debt securities at end of the reporting period	44,798

¹ Increased from US\$3,707,000 in October 2022 to US\$19,395,000 in April 2023 mainly due to 2 loans valuing US\$14,100,000 that defaulted on contractual payments in the St Maarten Branch.

4.3 CR3 - Credit Risk Mitigation Techniques

Disclose the extent of use of Credit Risk Mitigation (CRM) techniques.

Template CR3

US\$'000

Item	Exposures unsecured	Exposures secured by collateral		Exposures secured by financial guarantees		Exposures secured by credit derivatives	
	Carrying amount (a)	Carrying amount (b)	Of which: secured amount (c)	Carrying amount (d)	Of which: secured amount (e)	Carrying amount (f)	Of which: secured amount (g)
1 Loans	378,036	1,759,207	1,759,207	733,550	491,146	-	-
2 Debt securities	813,236	-	-	-	-	-	-
3 Total	1,191,272	1,759,207	1,759,207	733,550	491,146	-	-
4 Of which defaulted	4,147	40,650	38,434	-	-	-	-

4.4 CR4 - Standardised Approach - Credit Risk Exposure and CRM effects

This disclosure illustrates the effect of CRM (comprehensive and simple approach) on standardised approach capital requirements' calculations. The risk weighted assets (RWA) density provides a synthetic metric on riskiness of each portfolio. The RWA reported reflects the reallocation of the risk due to the credit risk mitigations that were applied.

Template CR4

US\$'000

	Asset classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	
1	Sovereigns and their central banks	838,641	-	838,641	-	62,627	7%
2	Non-central government public sector entities	353,622	-	353,622	-	259,190	73%
3	Multilateral development banks	190,770	-	190,770	-	-	0%
4	Banks	974,144	-	974,144	-	202,917	21%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	806,098	478,475	806,098	162,806	964,166	100%
7	Regulatory retail portfolios	107,965	56,913	107,965	4,047	81,742	73%
8	Secured by residential property	702,760	-	702,760	-	351,380	50%
9	Secured by commercial real estate	43,882	-	43,882	-	43,882	100%
10	Past-due exposures	32,736	-	32,736	-	40,383	123%
11	Higher-risk categories	-	-	-	-	-	0%
12	Other assets	113,600	-	113,600	-	37,054	33%
13	Total	4,164,218	538,388	4,164,218	166,853	2,043,341	47%

The decrease in total exposures and by extension the RWA during the period of October 2022 and April 2023 was mainly due to repayments on the loan portfolio.

There was no major variation in the RWA density when compared to the previous period.

4.5 CR5 - Standardised Approach - Exposures by Asset Class and Risk

Provides Information on the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the standardised approach).

Template CR5
US\$'000

<div> <div></div> <div>Risk Weight</div> </div>		a	b	c	d	e	f	g
		0%	20%	50%	75%	100%	150%	Total credit exposure amount (post CCF and post-CRM)
Regulatory Portfolio								
1	Sovereigns and their Central Banks	746,446	8,584	45,401	-	38,210	-	838,641
2	Non-Central Government Public Sector Entities	45,394	61,297	-	-	246,931	-	353,622
3	Multilateral Development Banks	190,770	-	-	-	-	-	190,770
4	Banks	-	947,184	26,960	-	-	-	974,144
5	Securities Firms	-	-	-	-	-	-	-
6	Corporates	4,716	28	-	-	964,160	-	968,904
7	Regulatory Retail Portfolios	3,023	-	-	108,989	-	-	112,012
8	Secured by Residential Property	-	-	702,760	-	-	-	702,760
9	Secured by Commercial Real Estate	-	-	-	-	43,882	-	43,882
10	Past-due Loans	-	-	-	-	17,442	15,294	32,736
11	Higher-risk categories	-	-	-	-	-	-	-
12	Other Assets	74,123	3,029	-	-	36,448	-	113,600
13	Total	1,064,472	1,020,122	775,121	108,989	1,347,073	15,294	4,331,071

Decrease in total exposures during the period of October 2022 and April 2023 was mainly due to repayments on the loan portfolio.

5. Counterparty Credit Risk

5.1 CCR1 - Analysis of counterparty credit risk exposure by approach

Provides a view of the methods used to calculate CCR regulatory requirements and the main parameters used within each method.

Template CCR1
US\$'000

		Total Replacement cost/Mark-to-market	Add-on Potential future exposure (PFE)	EAD post-CRM	RWA
1	Current Exposure Method (CEM)	4,975	2,574	7,549	3,362
2	Standardised Method			-	-
3	Simple Approach for credit risk mitigation (for SFTs)			-	-
4	Comprehensive Approach for credit risk mitigation			-	-
5	Total				3,362

5.2 CCR3 - CCR Exposures by Regulatory Portfolio and Risk Weights

Provides a breakdown of counterparty credit risk exposures by portfolio (types of counterparties) and by risk weight (riskiness attributed to the standardised approach).

Template CCR3
US\$'000

	a	b	c
Risk Weight	20%	100%	Total credit exposure
Regulatory portfolio			
Sovereigns	-	-	-
Non-Central Government Public Sector Entities	-	-	-
Multilateral Development Banks	-	-	-
Banks	5,233	-	5,233
Securities Firms	-	-	-
Corporates	-	2,316	2,316
Regulatory Retail Portfolios	-	-	-
Other Assets	-	-	-
Total	5,233	2,316	7,549

5.3 CCR5 - Composition of collateral for CCR exposure

The Bank currently has no types of collateral posted or received to support or reduce the counterparty credit risk exposures related to derivative transactions.

5.4 CCR6 - Credit derivatives exposures

The Bank currently has no single-name credit default swaps, index credit default swaps or credit options.

6. Leverage Ratio

6.1 LR1 - Summary Comparison of Accounting Assets vs Leverage Ratio Exposure

Reconciliation of the total assets in the financial statements with the leverage ratio exposure measure.

The exposure measure is calculated based on the regulatory requirements and comprises of on and off-balance assets.

Template LR1

US\$'000

		Apr 2023
1	Total consolidated assets as per financial statements	4,121,551
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	7,549
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	166,853
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital ¹	(50,436)
12	Other adjustments ²	42,667
13	Leverage ratio exposure measure	4,288,184

¹ This relates to Goodwill that is deducted from the balance sheet exposures for calculation of the leverage ratio in template LR2.

² Other adjustments consist of:

- Reclassification for general provisions on loans - This amount is reported with the assets on the financial statements but are reported with the liabilities on the quarterly prudential returns for regulatory reporting purposes.
- Reclassification for other assets - The credit balances for suspense accounts, stale dated cheques and items in course of collection that are reported in the overall other assets on the financial statements are individually identified and reported with the liabilities on quarterly prudential returns for regulatory reporting purposes.
- Reclassification for other liabilities - The debit balance for payroll liabilities that is reported in the overall other liabilities on the financial statements is identified and reported with the assets on quarterly prudential returns for regulatory reporting purposes.

6.2 LR2 - Leverage Ratio

The leverage ratio is a non-risk-based ratio established to supplement the risk-based capital requirements. The ratio is calculated using the regulatory capital and on/off balance sheet figures at a point in time. The Bank continues to manage its exposures to remain above the regulatory requirement as seen below.

Template LR2

US\$'000

		Apr 2023	Jan 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,164,218	4,235,082
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on balance sheet exposures that are deducted from Basel III Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(50,436)	(50,436)
7	Total on balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	4,113,782	4,184,646
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	4,975	5,196
9	Add on amounts for potential future exposure associated with all derivatives transactions	2,574	1,456
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	7,549	6,652
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance balance sheet exposure at gross notional amount	535,388	496,695
20	(Adjustments for conversion to credit equivalent amounts)	(368,535)	(335,733)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	166,853	160,962
Capital and total exposures			
23	Tier 1 capital	437,594	449,594
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,288,184	4,352,260
Leverage Ratio			
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10%	10%
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10%	10%
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers		

Decrease in the on-balance sheet exposures was mainly due to repayments on the loan portfolio. Tier 1 capital decreased due to dividends paid.

7. Liquidity

7.1 LIQ1 - Liquidity Coverage Ratio (LCR)

Outlines the details of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the Liquidity Cover Ratio standard.

Template LIQ1

US\$'000

		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	TOTAL HQLA		740,322
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	-	-
4	Less stable deposits	676,415	55,748
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,212,702	303,176
7	Non-operational deposits (all counterparties)	1,087,409	943,891
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	257,139	19,639
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	TOTAL CASH OUTFLOWS		1,322,454
Cash inflows			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	885,779	746,906
19	Other cash flows	1,013	1,013
20	TOTAL CASH INFLOWS		747,919
			Total adjusted value
21	Total HQLA		740,322
22	Total net cash outflows (line 16 amount less line 20)		574,535
23	Liquidity Coverage Ratio (%) (line 21 amount divided by line 22)		129%

The Bank's exposure to liquidity risk is governed by a Liquidity Management Policy and Framework approved by the Board. The Asset and Liability Management Team is responsible for monitoring liquidity risk and adherence to the Liquidity Management Policy. Day-to-day management of liquidity is handled by the Treasury team. The Treasury team performs stress tests and scenario analysis to evaluate the impact of stresses on its liquidity position. The results are independently reviewed by the market risk function and reported to the Board quarterly.

The Bank maintains a stable pool of high quality liquid assets (HQLA) reflecting the strength of its balance sheet and adequate short-term placements to cover cash flows under stress. The HQLA is made up of notes and coins, withdrawable balances at Central Banks (branches in Curacao and St. Maarten) and low risk marketable securities.

Profile of HQLAs as at April 30, 2023

Asset	Percentage
Level 1	90%
Level 2A	9%
Level 2B	1%

LCR for each month in quarter

US\$'000

	Feb 2023	Mar 2023	Apr 2023
HQLA	658,238	726,227	836,500
Outflows	1,239,321	1,284,548	1,443,493
Inflows	769,033	724,654	750,069
Net Outflows	470,288	559,894	693,424
Ratio	140%	130%	121%

Average LCR Ratio for the quarter

US\$'000

	Apr 2023	Jan 2023	Variance
HQLA	740,322	760,216	(19,894)
Outflows	1,322,454	1,352,916	(30,463)
Inflows	747,919	860,272	(112,354)
Net Outflows	574,535	492,644	81,891
Ratio	129%	154%	(25%)

The average LCR over the period moved from 154% at the end of January 2023 to 129% at the end of April 2023. The ratio remained above regulatory requirements and management thresholds and declined by 25% over the period under review due to:

- Decrease in the cash inflows of US\$112,333,000 due to lower balances held with other banks due within 30 days and a decrease in the HQLA of US\$19,894,000.

The Bank's foreign currency portfolio is deployed predominantly in HQLA.

The entities monitor the concentration of funding through large deposit exposures which are all within management thresholds and are monitored closely by the Asset and Liability Management Team. There are no significant currency mismatches.

7.2 LIQ2 - Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio is a liquidity standard requiring the Bank to hold enough stable funding to cover the duration of the long-term assets. The NSFR is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding. The ratio should be equal to at least 100% on an ongoing basis. Available stable funding is defined as the portion of capital and customer deposits expected to be reliable over the time horizon which extends to one year. The required stable funding (RSF) is based on the liquidity risk profile of the Bank's exposures.

Template LIQ2

US\$'000

Item	Unweighted value by residual maturity				Weighted value (e)
	No maturity (a)	< 6 months (b)	6 months to < 1 year (c)	≥ 1 year (d)	
Available stable funding (ASF) item					
1 Capital:					
2 Regulatory capital	-	-	-	571,351	571,351
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:					
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	-	639,639	34,935	20,785	627,901
7 Wholesale funding:					
8 Operational deposits	-	1,131,198	-	-	565,599
9 Other wholesale funding	-	1,550,519	110,807	66,128	371,563
10 Liabilities with matching interdependent assets					
11 Other liabilities:					
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	-	-	-	-
14 Total ASF	-	-	-	-	2,136,414
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					48,486
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	73,367
17 Performing loans and securities:					
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	812,195	-	34,214	155,800
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	186,361	83,934	1,853,735	1,368,728
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22 Performing residential mortgages, of which:	-	-	-	-	-
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	40,405	34,344
25 Assets with matching interdependent liabilities					

26	Other assets:					
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		2,512	333	62,541	65,629
32	Off-balance sheet items		535,388	-	-	59,844
33	Total RSF					1,806,198
34	Net Stable Funding Ratio (%)					118%

71% of the available stable funding is made up of capital and wholesale funding. Between October 2022 and April 2023, the available stable funding decreased by US\$5,311,000 and the required stable funding decreased by US\$52,885,000. This resulted in marginal increase in the net stable funding ratio.

8. Market Risk

8.1 MR1 - Market Risk under the Standardised Approach

Displays the components of the capital requirement under the standardised approach for market risk.

Template MR1		April 2023
US\$'000		RWA
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	17,050
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	Total	17,050

9. Asset Encumbrance

9.1 ENC - Asset Encumbrance

An asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. The encumbered assets represent balances held as liquidity and cash reserve requirements with the Central Bank of Curacao and St. Maarten and funds placed with other FCIB entities that were pledged for credit support.

Template ENC			
US\$'000			
Assets	Encumbered	Unencumbered	Total
Cash and balances with Central Banks	48,983	79,861	128,844
Due from Banks	131,260	829,319	960,579
Securities	-	813,236	813,236
Loans and advances to customers	-	2,124,619	2,124,619
Property and equipment	-	35,586	35,586
Other assets	-	8,251	8,251
Intangible assets	-	50,436	50,436
Total assets	180,243	3,941,308	4,121,551

10. Glossary

Term	Definition
CCR	Counterparty Credit Risk
HQLA	High Quality Liquid Assets
LCR	Liquidity Coverage Ratio
RWA	Risk Weighted Assets
SFT	Security Financing Transaction
The Bank	FirstCaribbean International Bank (Cayman) Limited
The Group	FirstCaribbean International Bank Limited (Parent Company)