

CIBC Caribbean Q1 net income falls 34% to US\$55.76m

CIBC Caribbean Bank Ltd recorded a net income of US\$55.76 million for the first quarter ended January 31, 2025, representing a 34% decrease compared to the US\$84.62 million earned in the corresponding period last year.

'For the three months ended January 31, 2025, the bank recorded solid net income of US\$55.8 million, compared to US\$84.6 million in the prior year's first quarter. After adjusting for US\$2 million in expenses related to previously announced divestitures, the adjusted net income stood at US\$57.8 million compared with adjusted net income of \$88.7 million in the prior year's first quarter,' its chief executive officer Mark St. Hill said.

'Our financial performance this quarter was largely impacted by higher provision for credit losses. We recorded a significant non-recurring account recovery in The Bahamas during the prior year's quarter. Additionally, we experienced increased provisions in the impaired loan portfolio and the impact of model parameter updates, further widening the year over year performance related to provision for credit losses. Overall, our credit quality remains strong,' St Hill said.

St Hill said CIBC Caribbean remains committed to its client-focused strategy, emphasising stronger client relationships, impactful advice and solutions, and the use of digital infrastructure to enhance service delivery.

'These efforts, combined with continuing strategic investment in our technology and people, position us well to achieve sustainable growth,' he said, 'Economic activity in the Caribbean is projected to expand in 2025 supported by continued post-pandemic recovery and tourism expansion, while regional inflation is expected to remain modest. However, downside risks remain as spill-over effects from global trade and tariff policies could disrupt global supply chains, fuel higher inflation and dampen growth prospects in the region given our close ties to key source markets,' St Hill said.

CIBC Caribbean experienced a revenue increase from US\$183.7 million in the first quarter of 2024 to US\$186.1 million in 2025.

'Revenue performed well year over year mainly driven by loan volume growth which offset the impact of lower interest margins due to declining US benchmark rates. However, we experienced higher operating expenses compared with the prior year's quarter due to higher employee related costs, spend on strategic investments and other costs associated with protecting the Bank,' St Hill said.

St Hill said core business growth remained strong in the first quarter.

'Our loan portfolio grew by 4% reflecting increased originations across key segments, while deposits rose by 2%, highlighting continued client confidence and liquidity stability. First quarter loan originations included the Government of Barbados sustainability-linked loan for which we arranged and funded a hold position of US\$178 million. This transaction represents our second sustainability debt conversion and reflects a highly collaborative execution effort across our CIBC Caribbean and CIBC Sustainable Finance networks,' he said. 'At the end of the first quarter, the Bank's Tier 1 and Total Capital ratios stood at 17.8% and 19.9%, respectively, exceeding regulatory requirements,' St Hill said.

The CIBC Caribbean board approved a quarterly dividend of US\$0.0125 per share, payable on April 24 to shareholders of record as of March 28.