# First Citizens Bank Limited and Its Subsidiaries (A Subsidiary of First Citizens Holdings Limited)

## UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2019

(Expressed in Trinidad and Tobago Dollars)



#### Chairman's Report

We are pleased to report that the First Citizens Group has concluded another profitable quarter recording Profit before tax of \$261.9 million. This brought the year to date Profit before Tax for the six months to \$573.4 million which represents an increase of 3.7% when compared to 2018. Profit after Tax for the six-month period amounted to \$394.9 million, which represents an increase of 7.5%, as compared to March 2018. The Group's total assets exceeded \$43.0 billion as at March 2019, which represented an increase of 2.4 % as compared to September 2018.

The Group's robust performance was due mainly to the growth in customers' loans of \$1.6 billion (10.1%) and Investments of \$1.0 billion (6.6%), which resulted in an increase in net interest income of \$12.1 million or 1.6%. The Group continued to effectively manage its expenses for the quarter and also benefited from a reversal in the expected credit losses booked at 30 September 2018.

Our earnings per share increased by 11 cents to \$1.56 for the six-month period ended 31 March 2019. Based on this performance, the Board has declared an interim dividend of 46 cents per ordinary share. The dividend will be paid on 29 May 2019, to shareholders on record as at 15 May 2019.

I wish to express my gratitude to our customers, staff, my fellow directors and all other stakeholders for their invaluable contribution to the continuing profitability of the First Citizens Group.

Anthony Isidore Smart

29 April 2019

Condoncod	Concolidated	Intorim	Statement	of Financial Position	
Condensed	Consolidated	ınterim	Statement	OT FINANCIAI POSITION	н

ASSETS	Unaudited Mar-19 \$'000	Unaudited Mar-18 \$'000	Audited Sep-18 \$'000
Cash and Statutory Deposits Financial Assets	7,568,957	7,949,730	9,025,002
<ul><li>Investments</li><li>Loans and receivables less allowance for loan losses:</li></ul>	16,134,298	15,350,602	15,128,356
Loans to customers	17,632,458	15,799,381	16,014,956
Loans Notes	257,949	331,649	294,799
Other assets	426,777	476,911	573,242
Investment in joint ventures & associates	190,540	182,945	185,256
Property, plant and equipment	625,223	582,465	603,083
Intangible asset	215,989	210,952	219,871
TOTAL ASSETS	43,052,191	40,884,635	42,044,565
LIABILITIES Customers' deposits and other funding instruments Due to other banks Creditors and accrued expenses Defined benefit liability Debt securities in issue Notes due to related companies TOTAL LIABILITIES	31,019,251 1,503,921 717,398 33,768 2,865,766 58,000 36,198,104	30,036,356 1,134,322 808,473 81,782 2,005,011 58,000 34,123,944	29,886,485 1,512,249 1,075,615 24,733 2,865,766 58,000 <b>35,422,848</b>
SHAREHOLDERS' EQUITY			
Share capital	458,557	458,557	458,557
Statutory reserve	879,335	879,335	879,335
Fair Value reserve	955,632	1,016,774	901,889
Retained earnings	4,560,563	4,406,025	4,381,936
SHAREHOLDERS' EQUITY	6,854,087	6,760,691	6,621,717
TOTAL LIABILITIES AND			
SHAREHOLDERS' EQUITY	43,052,191	40,884,635	42,044,565

On 29 April 2019, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director Authy Tsides esmat

Director Jamelle mitalan

## **Condensed Consolidated Interim Income Statement**

	Unaudited Three months ended Mar-19 Mar-18			naudited ths ended Mar-18	Audited Sep-18
	\$'000	\$′000	\$'000	\$'000	\$'000
Net interest income	394,562	396,688	793,541	781,396	1,558,950
Other income	159,161	141,245	333,060	341,227	657,831
Total net income	553,723	537,933	1,126,601	1,122,623	2,216,781
Impairment Expenses net recoveries	(4,136)	(4,065)	(57)	(47,074)	(178,024)
Expenses	(293,096)	(272,433)	(563,462)	(530,714)	(1,046,969)
Operating profit	256,491	261,435	563,082	544,835	991,788
Share of profit in associates					
and joint venture	5,413	2,799	10,295	8,179	18,238
Profit before taxation	261,904	264,234	573,377	553,014	1,010,026
Taxation	(81,457)	(100,261)	(178,439)	(185,682)	(336,333)
Profit after taxation	180,447	163,973	394,938	367,332	673,693
Earnings Per Share					
Basic			\$1.56	\$1.45	\$2.68
Weighted Average Number of Sha	res		,	,	4
Basic			251,354	251,354	251,354

## **Condensed Consolidated Statement of Comprehensive Income**

		Unaudite	d	Unaudite	ed
	Three Mar-19 \$'000	months en Mar-18 \$'000	ded Six n Mar-19 \$'000	nonths ended Mar-18 \$'000	Audited Sep-18 \$'000
Profit after taxation	180,447	163,973	394,938	367,332	673,693
Other comprehensive income:					
Items that will not be classified to profit or loss Remeasurement of Defined					
Benefit Liability	_	(8,014)	_	(8,014)	2,567
Net gains on investments in					
equity instruments designated at FVOCI Revaluation of property,	5,763	_	(869)	_	10,887
plant and equipment net of tax		_	_	_	3,061
	5,763	(8,014)	(869)	(8,014)	16,515
Items may be classified to profit or loss					
Exchange difference on translation	(4,634)	(100)	122	(1,243)	(2,201)
Reclassified to profit or loss on disposal	(521)	(3,413)	(1,044)	(53,755)	(77,794)
Amortisation of losses on hold to collect assets Net gains/(losses) on financial assets	(14,674)	(1,228)	(16,103)	(1,770)	(1,189)
measured at FVOCI	126,999	(40,947)	71,637	(25,675)	(102,220)
	107,170	(45,688)	54,612	(82,443)	(183,404)
Total other comprehensive income	112,933	(53,702)	53,743	(90,457)	(166,889)
Total comprehensive income	293,380	110,271	448,681	276,875	506,804

## **Condensed Consolidated Statement of Changes In Equity**

			3		
	Share Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2018 Total Comprehensive income Dividends	458,557 - -	879,335 - -	<b>901,889</b> 53,743	<b>4,381,936</b> 394,938 (216,311)	
Balance at 31 March 2019	458,557	879,335	955,632	4,560,563	6,854,087
Balance at 1 October 2017 Total Comprehensive income Dividends	458,557 - -	879,335 - -	<b>1,107,231</b> (90,457)	<b>4,306,459</b> 367,332 (267,766)	<b>6,751,582</b> 276,875 (267,766)
Balance at 31 March 2018	458,557	879,335	1,016,774	4,406,025	6,760,691
Balance at 1 October 2017 Change on initial application of IFRS 9	458,557 -	879,335 –	<b>1,107,231</b> (38,453)	<b>4,306,459</b> (145,897)	<b>6,751,582</b> (184,350)
Restated balance as at 1 October 2017 Total Comprehensive income Dividends	458,557 - -	879,335 - -	<b>1,068,778</b> (166,889)	<b>4,160,562</b> 673,693 (452,319)	<b>6,567,232</b> 506,804 (452,319)
Balance at 30 September 2018	458,	557 879,335	901,889	4,381,936	6,621,717

## First Citizens Bank Limited and Its Subsidiaries (A Subsidiary of First Citizens Holdings Limited)

## UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2019

(Expressed in Trinidad and Tobago Dollars)



## First Citizens

Condensed Consolidated Statement of Cash Flow						
Cash Flow From Operating Activities	Unaudited Mar-19 \$'000	Unaudited Mar-18 \$'000	Audited Sep-18 \$'000			
Profit before taxation	573,377	553,014	1,010,026			
Adjustments to reconcile profit to net cash provided by operating activities:	36,284	(78,428)	136,094			
Cash flows from operating activities before changes in operating assets and liabilities Changes in operating assets and liabilities:	609,661	474,586	1,146,120			
Net change in loans to customers  Net change in customers' deposits and other funding Net change in other assets Net change in statutory deposits with Central Bank Net change in creditors and accrued expenses Taxes paid	(1,607,734) 1,132,766 125,054 440,030 (366,187) (201,822)	(1,396,540) 1,728,584 30,926 (845,916) (100,890) (109,045)	(1,519,684) 1,578,711 (170,886) (855,410) 182,863 (280,710)			
Net cash flow from operating activities	131,768	(218,295)	81,004			
Cash Flows From Investing Activities Net change in investments Net change in loan notes Net change in short-term investments Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment	(908,411) 36,850 (105,579) 338 (53,145) (1,029,947)	271,124 36,849 (471,695) 1,461 (25,264) (187,525)	19,467 73,700 24,389 3,544 (91,751) 29,349			
Cash Flows From Financing Activities Net change of debt securities Dividend paid Net cash flow from financing activities	(216,311) (216,311)	605,011 (267,766) 337,245	1,465,766 (452,319) (452,319)			
Effect of exchange rate changes	1,224	(2,068)	(10,507)			
Net cash (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of year	(1,113,266) 2,806,825	(70,643) 1,693,532	(1,113,293) 1,693,532			
Cash and cash equivalents at end of period	1,693,559	1,622,889	2,806,825			
REPRESENTED BY:-						
Cash and due from banks and Statutory Deposits Due to other banks Less:	7,568,957 (1,503,921)	7,949,730 (1,134,322)	9,025,002 (1,512,249)			
Statutory Deposits Short-Term Investments (Maturity over 3 months)	(3,803,081) (568,396) <b>1,693,559</b>	(4,233,618) (958,901) <b>1,622,889</b>	(4,243,111) (462,817) <b>2,806,825</b>			
	-1,055,555	1,022,003	2,000,023			

## **Notes to the Condensed Consolidated Interim Financial Statements**

#### General Information

First Citizens Bank Limited (the Bank) and its subsidiaries (together the Group) provide retail, commercial and corporate banking as well as investment banking services. The Group operates primarily in Trinidad and Tobago and the Eastern Caribbean region.

The Bank is a subsidiary of First Citizens Holdings Limited (Holdings), a company owned by the Government of the Republic of Trinidad and Tobago (GORTT), and its registered office is located at 9 Queen's Park East, Port of Spain. First Citizens Holdings has 64.43% controlling interest. The remainder of the shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded.

On 12 September 1993, the Workers' Bank (1989) Limited, National Commercial Bank of Trinidad and Tobago Limited and Trinidad Co-operative Bank Limited under and by virtue of vesting orders made by the Minister of Finance under section 49 of the Financial Institutions Act, 1993, were transferred to and became vested in the Bank.

All entities which were transferred to, or from which specific assets or liabilities were transferred to the Bank, were wholly owned or controlled by the Trinidad and Tobago Government. Therefore, the transfers were recorded as a combination of interests under common control whereby all assets and liabilities transferred to the Bank were transferred at their carrying amounts in the accounts of the transferred or transferring entities at the dates of the respective transfers.

Effective 01 September 2018, the Bank sold First Citizens Portfolio and Investments Managements Services Limited (FCPIMSL) formerly First Citizens Securities Trading to First Citizens Investments Services Limited (FCIS).

The Group currently comprises the following entities:

Entity	Nature of operations	Country of incorporation	Ownership interest	
First Citizens Depository Services Limited (formerly First Citizens Asset Management Limited	Investment & asset management services for corporate benefit plans, mutual funds and other parties	Trinidad & Tobago	100%	
First Citizens Bank (Barbados) Limited	Banking, including the provision of mortgages for residential and commercial properties	Barbados	100%	
First Citizens Costa Rica SA	Service-related transactions	Costa Rica	100%	
First Citizens Financial Services (St. Lucia) Limited	Selected banking and financial service operations	St. Lucia	100%	
First Citizens Investment Services Limited	Investment & asset management services and repo business	Trinidad & Tobago	100%	
First Citizens St. Lucia Limited <sup>1</sup>	Selected banking and financial service operations	St. Lucia	100%	
First Citizens Trustee Services Limited	First Citizens Trustee Services Limited Provision of trustee, administration and bond paying agency services		100%	
The Group also has investments in the following entities:				
Infolink Services Limited	Provision of automated banking reciprocity services	Trinidad & Tobago	25%	
Trinidad and Tobago Interbank Payment System Limited	Automated clearing house	Trinidad & Tobago	14.29%	

Provision of electrical power to consumers

St. Lucia

2 Basis of preparation

The interim consolidated financial statement for the six-month period ended 31 March 2019, has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the audited consolidated financial statements for the year ended 30 September 2018.

**Significant Accounting Policies** 

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 September 2018.

March 2019 March 2018 \$'000 \$'000	September 2018 \$'000	
Capital Commitments Capital expenditure approved by the Directors but not provided for in these accounts 58,756 22,997	67,935	
Credit Commitments Commitments for loans approved not yet disbursed 245,306 1,182,343	1,560,259	-

Credit impairment losses

During the period, the Group obtained the restructured instruments from the Government of Barbados. As a result of this, the Group incurred a loss of \$273.2 million on the acquisition of these instruments, and had to write back the ECL of \$276.7M on derecognition of the original instruments.

	Expected Credit Losses	Mar	ch 2019 \$'000	March 2018 \$'000	September 2018 \$'000
	Expected Credit Losses Expected credit losses charge on loans and advances Expected credit losses write back/(charge) on other financial Loss on the recognition of credit impairment on origination a		(17,769) 14,213 (273,198)	(32,378) (14,696)	(73,013) (105,011)
	Net gains on derecognition of financial assets	155615	276,697		
_	Police I Post of Transactions		(57)	(47,074)	(178,024)
6	Related Party Transactions (a) Directors and key management personnel				
	(a) Directors and key management personner	Mar	ch 2019 \$'000	March 2018 \$'000	September 2018 \$'000
	Salaries and other short-term employee benefits		28,761	28,090	50,425
	Loans and receivables		11,700	12,535	12,902
	Interest income		312	302	591
	Customers' Deposits		15,090	14,942	11,510
	Interest expense		80	61	121
	Other Funding instruments		676	676	
	Interest expense – Other funding		/		
	(b) Transactions with associate Loans and receivables		_	16.732	_
	Interest income		107	719	844
	(c) Transactions with Parent		4.570	2.062	455
	Customers' Deposit		1,579 58,000	2,062 58.000	155 58.000
	Long-term notes Loan Note		18.249	23,463	20,856
	Interest income on loan notes		1.196	1,495	2,848
	Due from parent		665	1,153	249
	'			1,133	
	(d) Pension Plan Employer's contribution		18,242	16,090	32,213
	(e) Government of the Republic of Trinidad and To Assets Loan notes	bago	220 600	200 105	272 042
	Luaii iiules		239,699	308,185	273,942
	<b>Liabilities</b> Due to GORTT		20,452	25,361	21,478
	Interest Income Loan notes		15,709	19,636	37,405

Other transactions with the Government of the Republic of Trinidad and Tobago In addition to the balances in (e) above, the Group in its ordinary course of business enters into lending, deposit and investment transactions with the GORTT, other state-owned institutions, state agencies and local government bodies. Transactions and balances between the Group and these related parties are as follows:

	March 2019 \$'000	March 2018 \$'000	September 2018 \$'000
Loans to customers	4,335,750	3,129,127	2,915,876
Interest income	147,456	105,547	199,926
Customers' deposits	8,142,707	8,525,912	7,151,386
Interest expense	17,018	14,382	24,638
Investments	9,047,261	8,652,302	9,177,978
Investment income	221,910	214,486	409,655
Other funding instruments	1,002,968	1,065,492	
Interest expense	13,428	11,700	

**Contingent Liabilities** Litigation

The Group is involved in claims and counterclaims arising from the conduct of its business. Based on the facts now known to the Group, the Directors believe that the outcome of these matters would not have a material adverse effect on the position of the Group.

Segment Reporting

The segmental informat	ion usea by th	e Executive and	a Senior Manage	ement is as i	rollows:	
	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
Period ended 31 March 20	19					
Total Net Income	796,291	370,604	62.798	2,363	(105,455)	1,126,601
Profit Before Taxation	470,742	263,190	42,623	(112,398)	(90,780)	573,377
Total Assets	22.687.928	20.848.579	520,643	932,882	(1,937,841)	43,052,191
iotal Assets	22,007,320	20,040,313	320,043	332,002	(1,337,041)	45,032,131
Period ended 31 March 20	18					
Total Net Income	746,292	388,562	80,915	2,798	(95,944)	1,122,623
Profit Before Taxation	431,546	236,974	61,957	(94,777)	(82,686)	553,014
Total Assets	21,403,502	20.537.746	518.019	397,814	(1,972,446)	40.884.635
	2., .00,002	20,007,7	3.9,5.5	557,611	(.,5,2,)	.0,00 .,055
Year ended 30 September 2	018					
Total Net Income	1,488,705	706,790	149,966	5,517	(134,197)	2,216,781
Profit Before Taxation	753,607	463,642	111,291	(211,562)	(106,952)	1,010,026
Total Assets	20,748,222	22,757,612	825,448	324,334	(2,611,051)	42.044.565
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St. Lucia Electricity Services Limited