

# First Citizens Bank Limited And Its Subsidiaries

## Unaudited Condensed Consolidated Financial Statements For the Six Months ended 31 March 2021

(Expressed in Trinidad and Tobago dollars)



First Citizens

### Chairman's Report

First Citizens Group concluded another profitable quarter for period ended 31 March 2021 recording profit before tax of \$207.3 million. This brought the year to date profit before tax for the six month period to \$440.1 million. Profit after tax for the six month period amounted to \$308.1 million; this is a 23.8% decrease when compared to the prior period to March 2020, as the impact of COVID-19 continues to affect the wider economy. The Group's total assets stood at \$47.4 billion as at March 2021; not a significant change compared to September 2020. Investments grew by 11.1% from \$16.5 billion in September 2020 to \$18.7 billion in March 2021. Advances to customers stood at \$18.7 billion, a 1.7% decline from September 2020.

For the quarter ended 31 March 2021 the Board has declared a second interim dividend of \$0.28 per ordinary share, which brings the total interim dividend for the six month period to \$0.64 per share (corresponding period last year was \$0.72). This dividend will be paid on May 28, 2021 to shareholders on record as at 12 May 2021.

Like many other financial institutions working with customers affected by the COVID-19 pandemic, the First Citizens Group experienced significant challenges over this period. The International Monetary Fund (IMF) estimated a 3.5% contraction in the global economy for 2020 and predicts a 5.5% expansion in 2021 as fiscal and monetary responses continue to be implemented and the COVID-19 vaccinations are administered across the world. Domestically, our economy is yet to stabilize though some sectors are showing signs of recovery.

During this period, we advanced our strategy for geographic and product diversification by entering into a Purchase and Sale Agreement with the Bank of Nova Scotia ("Scotiabank"), subject to regulatory approvals in Trinidad and Tobago and in Guyana, with respect to Scotiabank's branch operations in Guyana. We also made an equity investment in Term Finance Holdings Limited, the parent company of Term Finance, a regional micro finance lender.

We continue to advance our digital strategy; providing e-commerce solutions and process automation that promote sustainability in this new operating environment, for our customers. Our corporate social responsibility support remains steadfast across the areas of education, youth, culture, gender and the environment. The annual First Citizens Foundation Sports Awards 2020 was a highlight during this period. I am happy to say, that it is our indomitable strength and commitment to excellence that led us to achieve the award of the prestigious 2020 Bank of the Year Caribbean by LatinFinance.

I wish to express my sincere appreciation to our loyal customers, dedicated staff, my fellow directors and all stakeholders. Your continued contribution to the First Citizens Group remains an essential component of our success.

*Anthony Isidore Smart*

Anthony Isidore Smart  
Chairman  
30 April 2021

### Condensed Consolidated Interim Statement Of Financial Position

	Unaudited Mar-2021 \$'000	Unaudited Mar-2020 \$'000	Audited Sep-2020 \$'000
<b>ASSETS</b>			
Cash and Statutory Deposits	8,568,887	7,362,865	10,097,285
Financial Assets			
- Investments	18,290,618	17,081,953	16,464,240
- Loans and receivables less allowance for loan losses:			
Loans to customers	18,726,070	19,482,141	19,040,472
Loans notes	110,550	184,249	147,399
Other assets	601,290	502,297	569,818
Investment in joint ventures & associates	229,355	196,867	206,464
Property, plant and equipment	666,599	583,409	696,161
Intangible assets	224,485	218,353	223,859
<b>TOTAL ASSETS</b>	<b>47,417,854</b>	<b>45,612,134</b>	<b>47,445,698</b>
<b>LIABILITIES</b>			
Customers' deposits and other funding instruments	33,246,296	31,589,745	33,143,099
Due to other banks	2,046,913	2,231,902	2,011,616
Creditors and accrued expenses	917,851	987,013	954,537
Lease Liabilities	96,210	--	110,576
Defined benefit liability	122,000	17,100	121,263
Debt securities in issue	3,351,169	3,615,155	3,625,194
Notes due to related companies	58,000	58,000	58,000
<b>TOTAL LIABILITIES</b>	<b>39,838,439</b>	<b>38,498,915</b>	<b>40,024,285</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	458,557	458,557	458,557
Statutory reserve	1,241,412	1,241,132	1,241,412
Fair value reserve	1,164,448	884,241	1,110,629
Retained earnings	4,714,998	4,529,289	4,610,815
<b>SHAREHOLDERS' EQUITY</b>	<b>7,579,415</b>	<b>7,113,219</b>	<b>7,421,413</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>47,417,854</b>	<b>45,612,134</b>	<b>47,445,698</b>

On 26 April 2021, the Board of Directors of First Citizens Bank Limited authorized these consolidated financial statements for issue.

Director, *Anthony Isidore Smart*

Director, *[Signature]*

### Condensed Consolidated Interim Income Statement

Note	Three months ended Mar-2021 \$'000	Three months ended Mar-2020 \$'000	Six months ended Mar-2021 \$'000	Six months ended Mar-2020 \$'000	Audited Sep-2020 \$'000
Net interest income	375,010	427,273	759,606	856,270	1,626,696
Other income	167,777	132,463	307,903	323,324	607,952
<b>Total net income</b>	<b>542,787</b>	<b>559,736</b>	<b>1,067,509</b>	<b>1,179,594</b>	<b>2,234,648</b>
Impairment expenses net recoveries	(31,927)	(7,951)	(50,397)	(27,300)	(213,287)
Expenses	(310,112)	(297,711)	(587,538)	(583,271)	(1,209,013)
<b>Operating profit</b>	<b>200,748</b>	<b>254,074</b>	<b>429,574</b>	<b>569,023</b>	<b>812,348</b>
Share of profit in associates and joint venture	6,529	4,141	10,551	10,318	19,297
<b>Profit before taxation</b>	<b>207,277</b>	<b>258,215</b>	<b>440,125</b>	<b>579,341</b>	<b>831,645</b>
Taxation	(72,888)	(76,497)	(132,025)	(174,978)	(224,779)
<b>Profit after taxation</b>	<b>134,389</b>	<b>181,718</b>	<b>308,100</b>	<b>404,363</b>	<b>606,866</b>
<b>Earnings Per Share</b>					
Basic			\$1.21	\$1.60	\$2.40
<b>Weighted Average Number of Shares</b>					
Basic			251,354	251,354	251,354

### Condensed Consolidated Statement Of Comprehensive Income

	Unaudited Three months ended		Unaudited Six months ended		Audited Sep-2020
	Mar-2021 \$'000	Mar-2020 \$'000	Mar-2021 \$'000	Mar-2020 \$'000	\$'000
<b>Profit after taxation</b>	<b>134,389</b>	<b>181,718</b>	<b>308,100</b>	<b>404,363</b>	<b>606,866</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be classified to profit or loss</b>					
Items reclassified to retained earnings	--	--	--	--	4,713
Remeasurement of defined benefit liability	--	--	--	--	(68,275)
Net gains on investments in equity instruments designated at FVOCI	(2,864)	(10,474)	4,169	(4,333)	10,663
Revaluation of property, plant and equipment net of tax	--	--	--	--	5,016
	(2,864)	(10,474)	4,169	(4,333)	(47,883)
<b>Items may be classified to profit or loss</b>					
Exchange difference on translation	(6,614)	(12,907)	(5,936)	(7,149)	6,103
Reclassified to profit or loss on disposal	(34,055)	(8,781)	(30,766)	(9,739)	(18,941)
Amortization of losses on hold to collect assets	(380)	(506)	(380)	(1,018)	(4,420)
Net (losses) / gains on financial assets measured at FVOCI	(13,530)	(212,387)	86,732	(189,650)	84,353
	(54,579)	(234,581)	49,650	(207,556)	67,095
<b>Total other comprehensive income</b>	<b>(57,443)</b>	<b>(245,055)</b>	<b>53,819</b>	<b>(211,889)</b>	<b>19,212</b>
<b>Total comprehensive income</b>	<b>76,946</b>	<b>(63,337)</b>	<b>361,919</b>	<b>192,474</b>	<b>626,078</b>

### Condensed Consolidated Statement Of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
<b>Balance at 1 October 2020</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,110,629</b>	<b>4,610,815</b>	<b>7,421,413</b>
Total comprehensive (loss) / income	--	--	53,819	308,100	361,919
Dividends	--	--	--	(203,917)	(203,917)
<b>Balance at 31 March 2021</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,164,448</b>	<b>4,714,998</b>	<b>7,579,415</b>
<b>Balance at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,712,675</b>	<b>7,152,051</b>
Total comprehensive (loss) / income	--	--	(211,889)	404,363	192,474
Transfer to statutory reserve	--	356,443	--	(356,443)	--
Dividends	--	--	--	(231,306)	(231,306)
<b>Balance at 31 March 2020</b>	<b>458,557</b>	<b>1,241,132</b>	<b>884,241</b>	<b>4,529,289</b>	<b>7,113,219</b>
<b>Balance at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,712,675</b>	<b>7,152,051</b>
Change on initial adoption of IFRS 16	--	--	--	(7,537)	(7,537)
<b>Restated Balance as at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,705,138</b>	<b>7,144,514</b>
Total Comprehensive income	--	--	--	606,866	606,866
Other Comprehensive income	--	--	14,499	4,713	19,212
Transfer to statutory reserve	--	356,723	--	(356,723)	--
Dividends	--	--	--	(349,179)	(349,179)
<b>Balance at 30 September 2020</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,110,629</b>	<b>4,610,815</b>	<b>7,421,413</b>

### Condensed Consolidated Statement Of Cash Flow

	Unaudited Mar-2021 \$'000	Unaudited Mar-2020 \$'000	Audited Sep-2020 \$'000
<b>Cash Flow From Operating Activities</b>			
Profit before taxation	440,125	579,341	831,645
Adjustments to reconcile profit to net cash provided by operating activities:			
Cashflows from operating activities before changes in operating assets and liabilities	157,892	109,566	167,825
Changes in operating assets and liabilities:			
Net change in loans to customers	252,269	(879,755)	(625,523)
Net change in customers' deposits and other funding	103,197	1,564,044	3,117,398
Net change in other assets	(133,364)	(88,707)	(41,908)
Net change in statutory deposits with Central Bank	1,632,165	13,279	(1,412,850)
Net change in creditors and accrued expenses	(93,716)	45,960	7,969
Taxes paid	(80,597)	(147,374)	(302,018)
<b>Net cash flow from operating activities</b>	<b>2,277,971</b>	<b>1,196,354</b>	<b>1,742,538</b>
<b>Cash Flows From Investing Activities</b>			
Net change in investments	(1,719,892)	(1,510,722)	(375,145)
Net change in loan notes	36,849	36,850	73,700
Net change in short-term investments	1,106,552	(41,608)	(800,487)
Proceeds from disposal of property, plant and equipment	859	839	8,029
Purchase of property, plant and equipment	(35,847)	(20,774)	(94,894)
	(611,479)	(1,535,415)	(1,188,797)
<b>Cash Flows From Financing Activities</b>			
Repayment of debt securities	(274,025)	686,300	696,339
Repayment of Lease liabilities	(17,423)	--	(29,495)
Dividend paid	(203,917)	(231,306)	(349,179)
Net cash flow from financing activities	(495,365)	454,994	317,665
Effect of exchange rate change	3,895	7,448	21,673
<b>Net cash (decrease) in cash and cash equivalents</b>	<b>1,175,022</b>	<b>123,381</b>	<b>893,079</b>
Cash and cash equivalents at beginning of year	1,957,698	1,064,619	1,064,619
<b>Cash and cash equivalents at end of period</b>	<b>3,132,720</b>	<b>1,188,000</b>	<b>1,957,698</b>

### REPRESENTED BY:-

Cash and due from banks and Statutory Deposits	8,568,887	7,362,865	10,097,285
Due to other banks	(2,046,913)	(2,231,902)	(2,011,616)
Less:			
Statutory Deposits	(3,288,264)	(3,494,300)	(4,920,429)
Short Term Investments (Maturity over 3 months)	(100,990)	(448,663)	(1,207,542)
	<b>3,132,720</b>	<b>1,188,000</b>	<b>1,957,698</b>

# First Citizens Bank Limited And Its Subsidiaries

Unaudited Condensed Consolidated Financial Statements For the Six Months ended 31 March 2021

(Expressed in Trinidad and Tobago dollars)



First Citizens

## Notes to the Condensed Consolidated Interim Financial Statements

### 1 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.

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)	The company acts as custodian for third parties and provides paying agent services	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 and its Subsidiaries	Investment & asset management services and repo business	Trinidad & Tobago	100%
First Citizens Trustee Services Limited	Provision of trustee, administration and paying agency services	Trinidad & Tobago	100%

The Group also has investment in the following entities:

Entity	Nature of operations	Country of incorporation	Ownership interest
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%
St. Lucia Electricity Services Limited	Provision of electrical power to consumers	St. Lucia	19%
Term Finance (Holdings) Limited	Provision of short term loans to individuals and small to medium-sized business	Trinidad & Tobago	19.9%

### 2 Basis of preparation

The interim consolidated financial statement for the six months period ended 31 March 2021, 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 2020.

### 3 Significant Accounting Policies

The accounting policies adopted in the preparation of the interim financial statement are consistent with those followed in the preparation of the annual financial statements for the year ended 30 September 2020.

### 4 Commitments

	March 2021	March 2020	September 2020
	\$'000	\$'000	\$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts	145,276	51,152	104,042
<b>Credit Commitments</b>			
Commitments for loans approved not yet disbursed	634,665	563,725	456,827

### 5 Credit impairment losses net recoveries

	March 2021	March 2020	September 2020
	\$'000	\$'000	\$'000
<b>Expected Credit Losses</b>			
Loans and advances	(46,290)	(21,432)	(216,667)
Other financial assets	(4,107)	(5,868)	3,380
	(50,397)	(27,300)	(213,287)

### 6 Related Party Transactions

#### (a) Directors and key management personnel

	March 2021	March 2020	Sept 2020
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	31,248	40,446	64,490
Loans and receivables	11,845	12,098	12,552
Interest income	302	292	592
Customers' deposits	24,499	23,381	21,337
Interest expense	120	119	245
Other funding instruments	6,853	702	707
Interest expense - Other funding	34	8	13

### 6 Related Party Transactions (continued)

	March 2021	March 2020	Sept 2020
	\$'000	\$'000	\$'000
<b>(b) Transactions with Parent</b>			
Customers' deposits	2,746	2,467	2,087
Long-term notes	58,000	58,000	58,000
Loan notes	7,821	13,035	10,428
Interest income on loan notes	598	902	1,653
Due from parent	201	694	262

#### (c) Pension Plan

Employer's contribution	32,342	17,969	51,110
-------------------------	--------	--------	--------

#### (d) Government of the Republic of Trinidad and Tobago

On the formation of the Bank (see Note 1), it was agreed that the assets and liabilities of the predecessor financial institutions would be transferred to the Bank and the non-performing portfolio sold to a liquidating company in consideration for an equivalent amount of Government-guaranteed notes and commercial paper. In addition, the Central Bank agreed to put specific liquidity arrangements in place by way of a long-term loan. The current amount outstanding on these obligations and the related income and expenses are disclosed below:

	March 2021	March 2020	September 2020
	\$'000	\$'000	\$'000
<b>Assets</b>			
Loan notes with Taurus Services Limited	102,728	171,214	136,971
<b>Liabilities</b>			
Due to GORTT	22,762	23,024	22,890
<b>Interest Income</b>			
Loan notes	7,854	11,846	21,718

#### (e) Other transactions with the Government of the Republic of Trinidad and Tobago

In addition to the balances in (d) 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 2021	March 2020	Sept 2020
	\$'000	\$'000	\$'000
Loans to customers	4,379,218	4,657,473	4,564,236
Interest income	136,524	158,868	306,236
Customers' deposits	10,947,046	10,356,849	11,846,181
Interest expense	13,167	21,880	45,390
Investments	12,536,186	11,530,287	9,003,487
Investment income	225,572	260,337	404,459
Other funding instruments	695,705	347,856	986,706
Interest expense	7,873	5,160	21,974

#### (f) The (COVID-19) Small & Medium Enterprises (SME) Stimulus Loan is an initiative of the GORTT geared specifically towards bringing relief to the Small and Medium Enterprise businesses that were negatively affected as a result of the crisis caused by the COVID-19 pandemic. The GORTT provided a guarantee for 75% of the loan value. The interest on these loans will be paid by the GORTT for the duration of the loan.

SME Loans	14,125	--	10,800
Interest income	195	--	48

### 7 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.

### 8 Segment Reporting

The segmental information used by the Executive and Senior Management is as follows:-

Period ended	Retail & Corporate	Treasury & Investment	Trustee & Asset Management	Group		Total
	Banking	Banking	Management	Functions	Eliminations	
31 March 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Net Income	790,125	355,592	51,555	(3,402)	(126,361)	1,067,509
Profit Before Taxation	349,045	288,393	30,047	(111,536)	(115,824)	440,125
Total Assets	25,221,595	23,243,575	600,825	580,219	(2,228,360)	47,417,854

Period ended	Retail & Corporate	Treasury & Investment	Trustee & Asset Management	Group		Total
	Banking	Banking	Management	Functions	Eliminations	
31 March 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Net Income	841,877	405,338	64,246	(3,159)	(128,708)	1,179,594
Profit Before Taxation	498,963	262,900	43,056	(111,592)	(113,986)	579,341
Total Assets	23,995,381	22,625,961	590,041	820,367	(2,419,616)	45,612,134

Year ended	Retail & Corporate	Treasury & Investment	Trustee & Asset Management	Group		Total
	Banking	Banking	Management	Functions	Eliminations	
30 September 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Net Income	1,605,705	626,572	132,988	5,466	(136,083)	2,234,648
Profit Before Taxation	806,703	299,652	90,579	(257,559)	(107,730)	831,645
Total Assets	23,347,413	25,354,236	694,251	585,816	(2,536,018)	47,445,698