

First Citizens Bank Limited
(A Subsidiary of First Citizens Group Financial Holdings Limited)

Unaudited Condensed Unconsolidated Financial Statements
(Expressed in Trinidad and Tobago dollars)

Six months ended 31 March 2022

First Citizens Bank Limited

Contents	Page
Statement of Financial Position	1
Income Statement	2
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Statement of Cash Flow	5
Notes to the Unconsolidated Financial Statements	6 - 10

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Condensed Unconsolidated Interim - Statement of Financial Position
(expressed in Trinidad and Tobago Dollars)

	Unaudited Mar-2022 \$'000	Unaudited Mar-2021 \$'000	Audited Sep-2021 \$'000
ASSETS			
Cash and Statutory Deposit	8,780,782	7,557,667	9,759,260
Financial Assets			
- Fair value through other comprehensive income and amortised cost	9,142,226	10,768,202	8,494,920
- Loans and receivables less allowance for loan losses:			
Loans to customers	16,097,065	16,463,452	15,900,566
Loan Notes	561,795	938,551	899,659
Other assets	570,645	583,121	557,412
Investment in subsidaires	1,062,351	1,068,374	1,068,374
Property, plant and equipment	439,569	480,633	427,285
Intangible assets - software	57,932	50,523	51,760
Tax Receivable	45,929	39,434	39,434
Defined Benefit Asset	148,542	--	141,133
TOTAL ASSETS	36,906,836	37,949,957	37,339,803
LIABILITIES			
Customers' deposits and other fundings	27,049,980	27,852,983	27,520,245
Due to other banks	17,162	15,422	10,906
Creditors and accrued expenses	367,594	430,275	391,256
Lease liabilities	80,835	86,840	74,484
Bonds payable	2,951,169	3,351,169	2,971,971
Defined benefit liability	212,662	165,077	--
Deferred income tax liability	--	122,000	244,010
Notes to related parties	58,000	58,000	58,000
TOTAL LIABILITIES	30,737,402	32,081,765	31,270,872
SHAREHOLDERS' EQUITY			
Share capital	458,557	458,557	458,557
Statutory reserve	1,200,000	1,200,000	1,200,000
Fair Value reserve	543,515	483,336	587,861
Retained earnings	3,967,362	3,726,299	3,822,513
SHAREHOLDERS' EQUITY	6,169,434	5,868,192	6,068,931
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,906,836	37,949,957	37,339,803

The notes on pages 6 to 10 are an integral part of these unconsolidated financial statements.

On 25 April 2022, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director Anthony Isidore Smart

Director Constance K. M.

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Condensed Unconsolidated Interim - Income Statement
(expressed in Trinidad and Tobago Dollars)

	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		Year ended
	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Sep-2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest income	288,588	305,520	576,864	612,594	1,197,215
Other income	91,978	111,165	206,441	195,852	381,467
Dividend Income	139,081	109,590	144,253	119,561	126,377
Total net income	519,647	526,275	927,558	928,007	1,705,059
Credit impairment (losses)/gain on loans	(16,083)	(43,303)	(10,507)	(58,899)	4,103
Credit impairment losses/write back on other financial assets	2,815	(2,547)	1,553	(8,175)	(4,951)
Non-interest expense	(227,278)	(247,562)	(462,628)	(466,194)	(993,661)
Profit before taxation	279,101	232,863	455,976	394,739	710,550
Taxation	(51,504)	(60,949)	(91,660)	(104,755)	(174,644)
Profit after taxation	227,597	171,914	364,316	289,984	535,906

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Condensed Unconsolidated Interim – Other Comprehensive Income
(expressed in Trinidad and Tobago Dollars)

	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		Year ended
	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Sep-2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the period	227,597	171,914	364,316	289,984	535,906
Other comprehensive income:					
Items that will not be reclassified to Profit or Loss					
Revaluation of property, plant and equipment	--	--	--	--	(25,524)
Transfer to reserve	--	--	--	--	(9,987)
Re-measurement of defined benefit obligation	--	--	--	--	172,990
Net (losses)/gains on investments in equity securities measured at fair value through other comprehensive income	1,650	(2,864)	(366)	4,169	8,286
	<u>1,650</u>	<u>(2,864)</u>	<u>(366)</u>	<u>4,169</u>	<u>145,765</u>
Items that may be reclassified to Profit or Loss					
Exchange difference on translation	(7,420)	(6,380)	9	(5,634)	(5,857)
Gains arising on disposal of debt instruments reclassified to profit or loss on disposal	(20,537)	(26,170)	(38,593)	(26,170)	(70,808)
Net (losses)/gains on investments in debt instruments measured at fair value through other comprehensive income	(5,143)	43,408	(5,396)	90,779	98,569
	<u>(33,100)</u>	<u>10,858</u>	<u>(43,980)</u>	<u>58,975</u>	<u>21,904</u>
Total other comprehensive (loss) for the period	(31,450)	7,994	(44,346)	63,144	167,669
Total comprehensive income for the period	196,147	179,908	319,970	353,128	703,575

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Condensed Unconsolidated Interim - Statement of Changes in Equity
Period ended 31 March 2022 (expressed in Trinidad and Tobago Dollars)

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2021	458,557	1,200,000	587,861	3,822,513	6,068,931
Other Comprehensive income	--	--	(44,346)	364,316	319,970
Dividend	--	--	--	(219,467)	(219,467)
Balance at 31 March 2022	458,557	1,200,000	543,515	3,967,362	6,169,434
Balance at 1 October 2020	458,557	1,200,000	420,192	3,640,232	5,718,981
Other Comprehensive income	--	--	63,144	289,984	353,128
Dividend	--	--	--	(203,917)	(203,917)
Balance at 31 March 2021	458,557	1,200,000	483,336	3,726,299	5,868,192
Balance as at 1 October 2020	458,557	1,200,000	420,192	3,640,232	5,718,981
Other comprehensive income for the year	--	--	177,656	535,906	713,562
Transfer to Statutory reserve	--	--	(9,987)	9,987	--
Dividends	--	--	--	(363,612)	(363,612)
Balance at 30 September 2021	458,557	1,200,000	587,861	3,822,513	6,068,931

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Condensed Unconsolidated – Statement of Cashflow
Period ended 31 March 2022 (expressed in Trinidad and Tobago Dollars)

	Unaudited Mar-2022 \$'000	Unaudited Mar-2021 \$'000	Audited Sep-2021 \$'000
Cash Flow From Operating Activities			
Profit before taxation	455,976	394,739	710,550
Adjustments to reconcile profit to net cash provided by operating activities:			
Cashflows from operating activities before changes in operating assets and liabilities	42,814	101,691	128,818
Net change in loans to customers	498,790	496,430	839,368
Net change in customers' deposits & other funding	(204,956)	254,330	883,350
Net change in other assets	(470,265)	108,254	(224,485)
Net change in statutory deposits with Central Bank	(24,438)	45,757	(34,287)
Net change in creditors and accrued expenses	1,053,143	1,639,550	353,394
Pension contributions paid	(26,346)	(53,516)	(68,724)
Interest paid on lease liabilities	(28,703)	(31,604)	(58,236)
Taxes paid	(1,853)	--	(6,164)
Net cash flow from operating activities	(98,468)	(46,976)	(136,867)
	696,904	2,412,225	1,547,349
Cash Flows From Investing Activities			
Net changes in financial assets fair value through other comprehensive income and amortised cost	(675,779)	(1,996,308)	325,454
Net increase in loan notes receivable	337,864	50,348	89,240
Net change in short-term investments	(507,523)	1,034,404	175,455
Investment in subsidiaries	6,023	1,593	--
Investment in associates	--	(22,252)	(22,500)
Disposal of investment in joint ventures	--	--	921
Proceeds from disposal of property, plant and equipment	531	620	1,168
Purchase of intangible assets	(15,269)	(12,606)	(22,280)
Purchase of property, plant and equipment	(22,303)	(17,944)	(43,248)
	(876,456)	(962,145)	504,210
Cash Flows From Financing Activities			
Net change in due to/from subsidiaries	(4,515)	2,780	1,391
Repayment on lease liability	(14,848)	(16,867)	(15,213)
Dividend paid	(219,467)	(203,917)	(363,612)
Net change of bond payable	(20,802)	(274,025)	(653,223)
	(259,632)	(492,029)	(1,030,657)
Net cash increase in cash and cash equivalents	(439,184)	958,051	1,020,902
Cash and cash equivalents at beginning of year	4,328,618	3,310,884	3,310,884
Effect of exchange rate changes	70	(1,321)	(3,168)
Cash and cash equivalents at end of period	3,889,504	4,267,614	4,328,618
REPRESENTED BY:-			
Cash and due from banks	8,780,782	7,557,666	9,759,260
Statutory Deposit	(3,406,653)	(3,173,640)	(4,459,796)
Due to other banks	(17,162)	(15,422)	(10,906)
Short Term Investments (Maturity over 3 months)	(1,467,463)	(100,990)	(959,940)
	3,889,504	4,267,614	4,328,618

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Notes to the Condensed Unconsolidated 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.

Effective October 2021, the Bank is a subsidiary of First Citizens Group Financial Holdings Limited (FCGFH). FCGFH is a company owned by First Citizens 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 of FCGFH.

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 Government of the Republic of Trinidad and Tobago (GORTT). 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	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 bond paying agency services	Trinidad & Tobago	100%

The Bank also has investment in the following entities:

Infolink Services Limited	Provision of automated banking reciprocity services	Trinidad & Tobago	25%
St. Lucia Electricity Services Limited	Provision of electrical power to consumers	St. Lucia	19.11%
Term Finance (Holdings) Limited	Provision of short term loans to individuals and small-medium size businesses	Trinidad & Tobago	19.99%

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Notes to the Condensed Unconsolidated Interim Financial Statements

2 Basis of preparation

The interim unconsolidated financial statement for the six months period ended 31 March 2022, has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the audited unconsolidated financial statements for the year ended 30 September 2021.

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 2021.

4 Commitments

	March	March	September
	2022	2021	2021
	\$'000	\$'000	\$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	<u>133,674</u>	<u>145,276</u>	<u>154,637</u>
Credit Commitments			
Commitments for loans approved not yet disbursed:	<u>345,631</u>	<u>427,628</u>	<u>362,308</u>

First Citizens Bank
Unaudited Financial Statements
For the six months ended 31 March 2022

Notes to the Condensed Unconsolidated Interim Financial Statements

5 Related Party Transactions

(a) Directors and key management personnel

	March	March	September
	2022	2021	2021
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	27,019	24,160	40,126
Loans and receivables	9,879	9,541	9,000
Interest income	204	203	332
Customers' Deposits	20,544	19,904	19,615
Interest expense	127	110	234

(b) Transactions and balances with related parties

Due from subsidiaries	60,633	46,891	52,233
Due to subsidiaries	(24,064)	(16,228)	(20,179)
Due from Parent	438	200	114
Customers' deposits	(603,166)	(503,148)	(651,583)
Loan note receivable	527,552	18,767	831,173
Loan note receivable - interest income	10,103	1,996	22,909
Long-term notes payable	58,000	58,000	58,000
Other income	1,417	1,398	2,800
Other expense	97	256	379

(c) Pension Plan

Employer's contribution	28,703	32,342	58,236
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First Citizens Bank Limited

Unaudited Financial Statements

For the six months ended 31 March 2022

Notes to the Condensed Unconsolidated Financial Statements

5 Related Party Transactions (cont'd)

(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 2022 \$'000	March 2021 \$'000	September 2021 \$'000
Assets			
Loan notes with Taurus Services	34,242	102,728	68,486
Liabilities			
Due to GORTT	26,572	22,762	22,753
Interest Income			
Loan notes	3,927	7,854	13,777

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

In addition to the balances in (d) above, the Bank 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 Bank and these related parties are as follows:

	March 2022 \$'000	March 2021 \$'000	September 2021 \$'000
Loans and receivables	3,508,657	4,379,218	3,805,081
Interest income	104,480	136,524	241,610
Customers' deposits	9,761,918	10,947,046	10,312,881
Interest expense	6,842	13,167	22,012
Financial assets – Hold to collect and sell	8,155,566	10,125,413	7,067,288
Financial assets – Hold to collect	509,203	510,900	541,434
Investment income	145,019	185,410	353,200

- (f) The (COVID – 19) Small & Medium Enterprises (SME) Stimulus Loan is an initiative an GORTT embarked geared specifically towards bringing relief to the Small and Medium Enterprises 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	26,634	14,125	14,125
Interest income	256	195	405

First Citizens Bank Limited
Unaudited Financial Statements
For the six months ended 31 March 2022

Notes to the Condensed Unconsolidated Financial Statements

6 Contingent Liabilities

Litigation

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

7 Segment Reporting

The segmental information provided to the Executive Management for the reportable segments are as follows:

<u>As at March 2022</u>	Retail Banking	Corporate Banking	Treasury & Investments Banking	Group functions	Total
Net Interest Income	248,190	288,006	40,293	375	576,864
Operating profit	140,609	278,234	178,089	(140,956)	455,976
Total Assets	7,034,457	11,858,825	17,383,385	630,169	36,906,836

<u>As at March 2021</u>	Retail Banking	Corporate Banking	Treasury & Investments Banking	Group functions	Total
Net Interest Income	249,389	317,544	45,264	397	612,594
Operating profit	116,674	211,883	177,719	(111,537)	394,739
Total Assets	7,156,685	14,406,670	15,806,383	580,219	37,949,957

<u>As at September 2021</u>	Retail Banking	Corporate Banking	Treasury & Investments Banking	Group functions	Total
Net Interest Income	502,551	612,374	81,495	795	1,197,215
Operating profit	247,539	595,914	124,373	(257,276)	710,550
Total Assets	7,019,033	12,224,211	17,361,963	734,596	37,339,803