

First Citizens Investment Services and its Subsidiaries

A Subsidiary of First Citizens Bank Limited

Unaudited Consolidated Financial Statements for three months ended December 31, 2022

(Expressed in Trinidad and Tobago dollars)



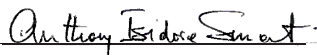
First Citizens

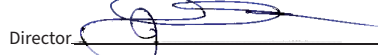
Consolidated Statement of Financial Position

	Unaudited Dec '22 \$'000	Unaudited Dec '21 \$'000	Audited Sept '22 \$'000
ASSETS			
Cash and due from banks	382,077	291,713	452,616
Financial assets			
- Fair value through other comprehensive income	2,210,112	2,839,733	2,137,509
- Amortised cost	3,691,378	3,897,834	3,734,961
- Fair value through profit and loss	598	651	636
Intangible assets	7,664	8,613	8,085
Property and equipment	42,666	44,765	43,076
Right of use assets	3,852	1,018	4,144
Other assets	25,805	43,938	32,481
Deferred income tax asset	635	1,052	702
Tax recoverable	19,640	18,448	21,185
TOTAL ASSETS	6,384,427	7,147,765	6,435,395
LIABILITIES			
Borrowings	1,297,331	1,712,444	1,292,720
Funds under management	6,233	6,376	6,221
Securities sold under repurchase agreements	3,205,134	3,317,279	3,280,111
Creditors and accrued expenses	87,536	108,047	130,113
Loan from parent company	252,758	267,899	257,107
Lease liabilities	4,005	1,037	4,287
Deferred income tax liability	22,671	93,137	10,756
Tax payable	8,555	19,609	11,289
TOTAL LIABILITIES	4,884,223	5,525,828	4,992,604
SHAREHOLDER'S EQUITY			
Share capital	637,697	637,697	637,697
Retained earnings	846,236	810,142	816,545
Fair value reserves	16,271	174,098	(11,451)
TOTAL SHAREHOLDER'S EQUITY	1,500,204	1,621,937	1,442,791
TOTAL EQUITY AND LIABILITIES	6,384,427	7,147,765	6,435,395

The accompanying notes are an integral part of these consolidated financial statements.

On 27 January 2023, the Board of Directors of First Citizens Investment Services Limited authorised these consolidated financial statements for issue.

Director 

Director 

Consolidated Statement of Income

	Unaudited Three months ended		Audited
	Dec '22 \$'000	Dec '21 \$'000	Sept '22 \$'000
Interest income	63,340	71,870	277,330
Interest expense	(27,513)	(31,415)	(122,874)
Net interest income	35,827	40,455	154,456
Fees and commissions	30,882	29,222	109,686
Loss realized on financial assets	(14,326)	(5,183)	(4,867)
Foreign exchange gain/(loss)	1,751	1,163	(665)
Other income	135	116	16,884
Total net revenue	54,269	65,773	275,494
Impairment gain/(loss) on financial assets	2,635	2,397	(3,133)
Impairment loss on non-financial assets	--	--	(26)
Administrative expenses	(10,402)	(10,034)	(41,136)
Other operating expenses	(11,024)	(11,935)	(45,364)
Profit before taxation	35,478	46,201	185,835
Taxation charge	(5,787)	(11,970)	(34,058)
Profit for the period/year	29,691	34,231	151,777

Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Audited
	Dec '22 \$'000	Dec '21 \$'000	Sept '22 \$'000
Profit for the period/year	29,691	34,231	151,777
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Net losses on investments in equity instruments designated at FVOCI	(16,457)	(36,404)	(5,665)
	(16,457)	(36,404)	(5,665)
<i>Items that may be reclassified to profit or loss</i>			
Net gains/(losses) on investments in debt instruments designated at FVOCI	43,610	(14,542)	(230,639)
Exchange differences on translation	569	191	--
	44,179	(14,351)	(230,639)
Total other comprehensive income/(loss) for the period/year net of tax	27,722	(50,755)	(236,304)
Total comprehensive income/(loss) for the period/year	57,413	(16,524)	(84,527)

Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Total Equity \$'000
Balance at 1 October 2022	637,697	816,545	(11,451)	1,442,791
Profit for the period	--	29,691	--	29,691
Other comprehensive income	--	--	27,722	27,722
Total comprehensive income for the period	--	29,691	27,722	57,413
<i>Transactions with owners:</i>				
Dividends paid	--	--	--	--
Total transactions with owners	--	--	--	--
Balance at 31 December 2022	637,697	846,236	16,271	1,500,204
Balance at 1 October 2021	637,697	775,911	224,853	1,638,461
Profit for the period	--	34,231	--	34,231
Other comprehensive loss	--	--	(50,755)	(50,755)
Total comprehensive loss for the period	--	34,231	(50,755)	(16,524)
<i>Transactions with owners:</i>				
Dividends paid	--	--	--	--
Total transactions with owners	--	--	--	--
Balance at 31 December 2021	637,697	810,142	174,098	1,621,937
Balance at 1 October 2021	637,697	775,911	224,853	1,638,461
Profit for the year	--	151,777	--	151,777
Other comprehensive loss	--	--	(236,304)	(236,304)
Total comprehensive loss for the year	--	151,777	(236,304)	(84,527)
<i>Transactions with owners:</i>				
Dividends	--	(111,143)	--	(111,143)
Total transactions with owners	--	(111,143)	--	(111,143)
Balance at 30 September 2022	637,697	816,545	(11,451)	1,442,791

Consolidated Statement of Cashflow

	Unaudited Dec '22 \$'000	Unaudited Dec '21 \$'000	Audited Sept '22 \$'000
Cash flows from operating activities			
Profit before taxation	35,478	46,201	185,835
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain)/loss on financial assets	(2,635)	(2,397)	3,156
Impairment loss on non-financial assets	--	--	3
Interest income	(63,319)	(71,849)	(277,330)
Interest expense	27,513	31,415	122,874
Interest on right of use assets	78	13	371
Depreciation	468	581	1,863
Depreciation for right of use assets	434	253	1,747
Amortisation	421	546	1,683
Gain on disposal of property and equipment	--	--	(96)
Loss on disposal of right of use assets	9	--	11
Unrealised foreign exchange (gain)/loss	(1,709)	(758)	719
Unrealised (gain)/loss on financial assets	(5)	(13)	16
Cash flows from operating activities before changes in operating assets and liabilities	(3,267)	3,992	40,852
Net change in FVOCI financial assets	(26,820)	(72,323)	335,106
Net change in amortised cost financial assets	54,675	45,110	186,502
Net change in fair value through profit & loss	46	(30)	(45)
Net change in other assets	6,435	(151)	9,202
Net change in right of use assets	(145)	--	(922)
Net change in securities sold under repurchase agreements	(81,112)	(39,814)	(82,768)
Net change in creditors and accrued expenses	(39,091)	(24,339)	22,268
Net change in right of use liabilities	145	174	--
Net change in funds under management	9	(48)	(844)
Net change in borrowings	9,225	194,335	(212,842)
Cash (used in)/generated from operations	(79,900)	106,906	296,509
Interest received	49,264	61,573	291,309
Interest paid	(29,730)	(31,787)	(128,343)
Income taxes paid	(7,811)	(14,292)	(51,181)
Net cash flows (used in)/generated from operating activities	(68,177)	122,400	408,294
Cash flows from investing activities			
Change in short term investment	(10)	(10)	(69)
Proceeds from disposal of right in use assets	--	--	145
Proceeds from disposal of property and equipment	--	--	97
Purchase of intangible assets	--	(369)	--
Purchase of financial assets	--	--	(972)
Purchase of property and equipment	(58)	(363)	(1,320)
Net cash flow used in investing activities	(68)	(742)	(2,119)
Cash flows from financing activities			
Repayment of principal on right of use assets	(511)	(188)	(2,010)
Repayment of loan from parent company	(1,782)	(94,841)	(105,506)
Ordinary dividend paid	--	--	(111,143)
Net cash flows used in financing activities	(2,293)	(95,029)	(218,659)
Net (decrease)/increase in cash and cash equivalents	(70,538)	26,629	187,516
Cash and cash equivalents at beginning of the year	450,157	262,641	262,641
Cash and cash equivalents at end of the period/year	379,619	289,270	450,157

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(Expressed in Trinidad and Tobago dollars)



First Citizens

Notes to the Consolidated Financial Statements

1 Incorporation and Principal Activity

First Citizens Investment Services Limited ("the Company") and its subsidiaries (together "the Group") is incorporated in the Republic of Trinidad and Tobago. Effective 1 September 2018, the Group acquired 100% ownership of First Citizens Portfolio Investment and Management Services Limited (FCPIMS). The Group operates in Trinidad and Tobago as well as in St. Lucia, St. Vincent and Barbados through branches. Its principal business includes dealing in securities and such other business as is authorised pursuant to its registration under the Securities Industry Act 2012 of the Republic of Trinidad and Tobago.

Effective 2 February 2009, First Citizens Bank Limited (the Bank) assumed control of the Group. The Bank is a subsidiary of First Citizens Group Financial Holdings Limited (FCGFH), a subsidiary of First Citizens Holdings Limited (Holdings), with a 60.1% controlling interest. Holdings is owned by the Government of the Republic of Trinidad and Tobago (GORTT). The remainder of the Bank's shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded.

The Group's registered office is 17 Wainwright Street, Port of Spain, Trinidad and Tobago. The Group's subsidiaries, all wholly-owned, are:

- First Citizens Portfolio Investment and Management Services Limited;
- First Citizens Brokerage and Advisory Services Limited;
- First Citizens Investment Services (Barbados) Limited;
- Caribbean Money Market Brokers (Trincity) Limited; and
- FCIS Nominees Limited

2 Basis of preparation

The Interim consolidated financial statement for the three months' period ended 31 December 2022, has been prepared in accordance with IAS 34 "Interim Financial Reporting".

3 Significant Accounting Policies

The accounting policies applied in the preparation of these consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 September 2022.

4 Commitments

	Dec '22	Dec '21	Sept '22
	\$'000	\$'000	\$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	3,487	7,349	3,245

5 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group is fully owned by First Citizens Bank Limited, a subsidiary of First Citizens Holdings Limited, a company owned by the Government of the Republic of Trinidad and Tobago (GORTT).

A number of transactions are entered into with related parties in the normal course of business. These include purchase of investment securities and securities sold under repurchase agreements.

	Dec '22	Dec '21	Sept '22
	\$'000	\$'000	\$'000
(a) Directors and key management personnel			
Statement of financial position:			
Securities sold under repurchase agreements	--	(6,866)	(8,852)
	--	(6,866)	(8,852)
Statement of income:			
Interest expense	(50)	(43)	(192)
Salaries and other short-term employee benefits	(1,490)	(1,310)	(6,528)
	(1,540)	(1,353)	(6,720)

(b) Related Companies

The following related party transactions are included in the Statement of Income and Statement of Financial Position for the three months ended December 2022:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	63	1	15,619	2,055
Interest Expense	(2,551)	(1,071)	--	(2,689)
	(2,488)	(1,070)	15,619	(634)
Statement of Financial Position				
Assets:				
Cash and due from other banks	251,885	20,090	--	--
Other assets	--	44	--	--
Financial assets	--	--	1,467,077	193,204
Liabilities:				
Securities sold under repurchase agreements	--	(388,428)	--	(687,834)
Creditors and accrued expenses	(27,981)	(209)	--	--
Leases	(1,018)	--	--	--
Loan from parent company	(252,758)	--	--	--
	(29,872)	(368,503)	1,467,077	(494,630)

5 Related Party Transactions (cont'd)

The following related party transactions are included in the Statement of Income and Statement of financial position for the three months ended December 2021:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	58	1	16,241	3,168
Interest Expense	(2,728)	(399)	--	(2,302)
	(2,670)	(398)	16,241	866
Statement of financial position				
Assets:				
Cash and due from other banks	127,504	28,352	--	--
Financial assets	192	--	1,571,887	233,117
Liabilities:				
Securities sold under repurchase agreements	--	(370,991)	--	(601,182)
Creditors and accrued expenses	(24,843)	(2,398)	--	--
Loan from parent	(257,890)	--	--	--
	(155,037)	(345,037)	1,571,887	(368,065)

The following related party transactions are included in the Statement of Income and Statement of financial position for the year ended September 2022:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	268	4	63,825	11,865
Interest Expense	(10,488)	(2,489)	--	(9,635)
	(10,220)	(2,485)	63,825	2,230
Statement of financial position				
Assets:				
Cash and due from other banks	289,296	19,007	--	--
Financial assets	194	--	1,477,254	194,952
Liabilities:				
Securities sold under repurchase agreements	--	(375,377)	--	(731,220)
Creditors and accrued expenses	(27,934)	(836)	--	--
Leases	(1,011)	--	--	--
Loan from parent	(257,107)	--	--	--
	3,438	(357,206)	1,477,254	(536,268)

6 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.