

First Citizens Bank Limited And Its Subsidiaries

(A Subsidiary of First Citizens Group Financial Holdings Limited)



First Citizens

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

Condensed Consolidated Interim Statement Of Financial Position

	Unaudited Dec 2022 \$'000	Unaudited Dec 2021 \$'000	Audited Sept 2022 \$'000
ASSETS			
Cash and cash equivalent	6,432,606	6,327,563	6,375,452
Statutory Deposits	5,524,864	3,073,346	5,152,452
Financial Assets			
- Investments	12,258,075	17,474,118	13,203,048
- Loans and receivables less allowance for loan losses:			
Loans to customers	19,337,296	18,210,546	18,886,554
Loans Notes	--	73,700	--
Other assets	553,474	580,030	531,028
Investment in joint ventures & associates	245,146	231,702	244,114
Property, plant and equipment	688,002	575,972	694,494
Intangible asset	253,862	223,835	261,087
Defined benefit asset	94,925	144,810	91,814
TOTAL ASSETS	45,388,250	46,915,622	45,440,043
LIABILITIES			
Customers' deposits and other funding instruments	32,767,932	32,642,717	32,318,082
Due to other banks	1,330,680	2,283,501	1,304,140
Creditors and accrued expenses	713,759	915,075	734,463
Lease liabilities	175,503	89,863	184,457
Debt securities in issue	2,325,194	2,976,058	2,951,169
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	37,371,068	38,965,214	37,550,311
SHAREHOLDERS' EQUITY			
Share capital	458,557	458,557	458,557
Statutory reserve	1,241,412	1,241,412	1,241,412
Fair Value reserve	975,086	1,257,788	932,384
Retained earnings	5,342,127	4,992,651	5,257,379
SHAREHOLDERS' EQUITY	8,017,182	7,950,408	7,889,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,388,250	46,915,622	45,440,043

On 30 January 2023, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director *Anthony Esdore Smith*

Director *[Signature]*

Condensed Consolidated Interim Income Statement

	Unaudited Three months ended Dec 2022 \$'000	Unaudited Dec 2021 \$'000	Audited Sept 2022 \$'000
Net interest income	416,804	362,112	1,491,279
Other income	153,600	175,278	647,332
Total net revenue	570,404	537,390	2,138,611
Credit impairment gains/(losses) net recoveries	8,737	5,371	25,267
Non-interest Expenses	(308,759)	(299,330)	(1,265,593)
Operating profit	270,382	243,431	898,285
Share of profit in associates and joint venture	5,796	5,404	26,720
Profit before taxation	276,178	248,835	925,005
Taxation	(75,807)	(66,826)	(189,212)
Profit after taxation	200,371	182,009	735,793

Condensed Consolidated Statement Of Comprehensive Income

	Unaudited Nine months ended Dec 2022 \$'000	Unaudited Dec 2021 \$'000	Audited Sept 2022 \$'000
Profit for the period	200,371	182,009	735,793
Other comprehensive income:			
Items that will not be classified to Profit or Loss			
Remeasurement of defined benefit liability	--	--	(41,519)
Net (losses)/gains on investments in equity instruments designated at fair value through other comprehensive income	(4,983)	(2,016)	(22,507)
Revaluation of property, plant and equipment net of tax	--	--	407
	(4,983)	(2,016)	(63,619)
Items that may be reclassified to Profit or Loss			
Exchange difference on translation	6,520	8,011	(5,496)
Reclassified to profit or loss on disposal	12,166	(12,804)	(43,451)
Net (losses) / gains on financial assets measured at fair value through other comprehensive income	28,999	(56,369)	(276,016)
	47,685	(61,162)	(324,963)
Total other comprehensive loss for the period	42,702	(63,178)	(388,582)
Total comprehensive income for the period	243,073	118,831	347,211

Condensed Consolidated Statement Of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2022	458,557	1,241,412	932,384	5,257,379	7,889,732
Other Comprehensive Income	--	--	42,702	200,371	243,073
Dividends	--	--	--	(115,623)	(115,623)
Balance at 31 December 2022	458,557	1,241,412	975,086	5,342,127	8,017,182
Balance at 1 October 2021	458,557	1,241,412	1,320,966	4,924,472	7,945,407
Total Comprehensive Income	--	--	(63,178)	182,009	118,831
Dividends	--	--	--	(113,830)	(113,830)
Balance at 31 December 2021	458,557	1,241,412	1,257,788	4,992,651	7,950,408
Balance as at 1 October 2021	458,557	1,241,412	1,320,966	4,924,472	7,945,407
Total Comprehensive Income	--	--	(388,582)	735,793	347,211
Dividends	--	--	--	(402,886)	(402,886)
Balance at 30 September 2021	458,557	1,241,412	932,384	5,257,379	7,889,732

Condensed Consolidated Statement Of Cash Flow

	Unaudited Dec 2022 \$'000	Unaudited Dec 2021 \$'000	Audited Sept 2022 \$'000
Cash Flow From Operating Activities			
Profit before taxation	276,178	248,835	925,005
Adjustments to reconcile profit to net cash provided by operating activities:	(403,296)	(351,140)	(1,428,061)
Cashflows from operating activities before changes in operating assets and liabilities	(127,118)	(102,305)	(503,056)
Changes in operating assets and liabilities:			
Net change in loans to customers	(439,939)	(120,210)	(764,512)
Net change in customers' deposits and other funding	449,850	(286,592)	(611,228)
Net change in other assets	(68,451)	(57,159)	(14,680)
Net change in statutory deposits with Central Bank	(372,412)	1,513,794	(565,313)
Net changes in investments instruments	1,011,383	(1,845,667)	2,068,263
Interest received	510,485	451,495	1,802,578
Interest paid	(79,376)	(87,238)	(309,295)
Net change in creditors and accrued expenses	(62,562)	(95,552)	(67,311)
Taxes paid	(37,333)	(79,482)	(308,099)
Net cash flow from operating activities	784,527	708,916	727,347
Cash Flows From Investing Activities			
Net change in loan notes	--	--	73,700
Net change in short-term investments	(1,176,990)	923,662	565,436
Proceeds from disposal of property, plant and equipment	1,881	218	1,229
Purchase of property, plant and equipment	(18,031)	(14,253)	(138,618)
	(1,193,140)	(909,627)	501,747
Cash Flows From Financing Activities			
Repayment of debt securities	(625,975)	--	(20,802)
Repayment of Lease liabilities	(9,049)	(6,321)	(34,211)
Dividend paid	(115,623)	(113,830)	(402,886)
Net cash flow from financing activities	(750,647)	(120,151)	(457,899)
Net cash increase in cash and cash equivalents	(1,159,260)	80,560	771,195
Cash and cash equivalents at beginning of year	4,626,278	3,864,595	3,864,595
Effect of exchange rate changes	12,884	12,098	(9,512)
Cash and cash equivalents at end of period	3,479,902	3,957,253	4,626,278
REPRESENTED BY:-			
Cash and cash equivalent	6,432,606	6,327,563	6,375,452
Due to other banks	(1,330,680)	(2,283,501)	(1,304,140)
Less:			
Short Term Investments (Maturity over 3 months)	(1,622,024)	(86,809)	(445,034)
	3,479,902	3,957,253	4,626,278

Notes to the Condensed Consolidated Interim Financial Statements

1 General Information

First Citizens Bank Limited (the Bank) and its subsidiaries (together the Group or First Citizens 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 wholly owned subsidiary of First Citizens Group Financial Holdings Limited (FCGFH), which is a subsidiary of First Citizens Holdings Limited (Holdings). Holdings is a company owned by the Government of the Republic of Trinidad and Tobago (GORTT). Holdings is the majority shareholder of FCGFH, with shareholding interest of 60.1%. The registered office is located at 9 Queen's Park East, Port of Spain.

Based on the corporate restructure in October 2021, the Bank was delisted and FCGFH was listed on the Trinidad and Tobago Stock Exchange.

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First Citizens

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED 31 DECEMBER 2022

(Expressed in Trinidad and Tobago dollars)

Notes to the Condensed Consolidated Interim Financial Statements (continued)

1 General Information (cont'd)

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 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%
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%

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" and should be read in conjunction with the audited consolidated financial statements for the year ended 30 September 2022.

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 2022.

4 Commitments

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts	173,336	155,096	122,266
Credit Commitments			
Commitments for loans approved not yet disbursed	868,445	364,880	635,350

5 Credit impairment losses net recoveries

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Expected Credit Losses			
Loans and advances	7,177	4,087	17,252
Other financial assets	1,560	1,284	8,015
	8,737	5,371	25,267

6 Related Party Transactions

(a) Directors and key management personnel

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Salaries and other short-term employee benefits	12,630	12,271	61,678
Loans and receivables	17,625	11,564	15,864
Interest income	199	119	625
Customers' Deposits	31,767	20,062	29,979
Interest expense	78	64	292
Other Funding instruments	--	6,866	8,852
Interest expense- Other Funding	50	43	192

(b) Transactions with related parties

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Customers' Deposits	73,959	6,391	3,704
Long-term notes payable	58,000	58,000	58,000
Loan Note receivable	--	5,214	--
Interest income on loan notes	--	151	449
Customers' Deposits with parent	9,125	2,514	10,647
Due from parent	381	82	859
Due from other related party	74	56	18

(c) Pension Plan

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Employer's contribution	14,195	14,351	54,125

(d) Government of the Republic of Trinidad and Tobago

On the formation of the Bank, 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:

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Assets			
Loan notes with Taurus Services Limited	--	68,486	--
Liabilities			
Due to GORTT	26,588	22,761	26,568
Interest Income			
Loan notes	--	1,964	6,351

(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:

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
Loans to customers	3,154,228	3,561,807	3,535,333
Interest income	52,230	9,870	217,354
Customers' deposits	10,832,352	10,226,797	9,945,476
Interest expense	4,603	3,514	15,571
Investments	7,824,683	11,729,240	7,277,213
Investment income	106,207	94,790	348,757
Other funding instruments	687,834	601,182	731,220
Interest expense	2,689	2,302	9,635

(f) The (COVID - 19) Small & Medium Enterprises (SME) Stimulus Loan is an initiative the 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.

	December 2022 \$'000	December 2021 \$'000	September 2022 \$'000
SME Loans	65,392	15,554	63,756
Interest income	479	107	942

7 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.

8 Segment Reporting

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

Period ended 31 December 2022	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
Total Net Revenue	414,202	313,112	25,212	1,438	(183,560)	570,404
Profit Before Taxation	249,578	257,027	12,874	(69,086)	(174,215)	276,178
Total Assets	22,738,104	23,767,005	429,282	730,882	(2,277,023)	45,388,250
Period ended 31 December 2021	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	394,408	127,584	26,098	(1,955)	(8,745)	537,390
Profit Before Taxation	236,572	64,915	14,080	(61,324)	(5,408)	248,835
Total Assets	24,394,553	23,295,688	581,419	672,663	(2,028,701)	46,915,622
Year ended 30 September 2022	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	1,575,403	628,343	106,748	5,992	(177,875)	2,138,611
Profit Before Taxation	890,177	407,479	55,832	(290,865)	(137,618)	925,005
Total Assets	22,196,082	23,796,593	632,790	1,094,862	(2,280,284)	45,440,043