

# First Citizens Investment Services Limited and its Subsidiaries A Subsidiary of First Citizens Bank Limited

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED MARCH 31 2023

(Expressed in Trinidad and Tobago dollars)



First Citizens

## Consolidated Statement of Financial Position

	Unaudited Mar 2023 \$'000	Unaudited Mar 2022 \$'000	Audited Sept 2022 \$'000
<b>ASSETS</b>			
Cash and due from banks	331,965	363,294	452,616
Financial assets			
- Fair value through other comprehensive income	2,213,087	2,788,261	2,137,509
- Amortised cost	3,641,346	3,844,439	3,734,961
- Fair value through profit and loss	584	600	636
Intangible assets	7,243	8,192	8,085
Property and equipment	42,264	43,182	43,076
Right of use assets	3,678	2,184	4,144
Other assets	27,093	49,493	32,481
Deferred income tax asset	203	1,084	702
Tax recoverable	19,120	18,472	21,185
<b>TOTAL ASSETS</b>	<b>6,286,583</b>	<b>7,119,201</b>	<b>6,435,395</b>
<b>LIABILITIES</b>			
Borrowings	1,292,518	1,691,332	1,292,720
Funds under management	6,149	6,248	6,221
Securities sold under repurchase agreements	3,201,765	3,534,980	3,280,111
Creditors and accrued expenses	98,007	117,342	130,113
Loan from parent company	254,508	259,676	257,107
Lease liabilities	3,833	2,288	4,287
Deferred income tax liability	2,699	44,348	10,756
Tax payable	9,029	23,638	11,289
<b>TOTAL LIABILITIES</b>	<b>4,868,508</b>	<b>5,679,852</b>	<b>4,992,604</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	637,697	637,697	637,697
Retained earnings	809,884	745,254	816,545
Other reserves	(29,506)	56,398	(11,451)
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>1,418,075</b>	<b>1,439,349</b>	<b>1,442,791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,286,583</b>	<b>7,119,201</b>	<b>6,435,395</b>

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

On 22 May 2023, the Board of Directors of First Citizens Investment Services Limited authorised these consolidated financial statements for issue.

Director *Anthony Isidore Smart* Director *Schees Anandean*

## Consolidated Statement of Income

	Unaudited Three months ended		Unaudited Six months ended		Audited Sep 2022
	Mar 2023 \$'000	Mar 2022 \$'000	Mar 2023 \$'000	Mar 2022 \$'000	Sep 2022 \$'000
Interest income	65,731	71,920	129,071	143,790	277,330
Interest expense	(26,843)	(30,687)	(54,356)	(62,102)	(122,874)
<b>Net interest income</b>	<b>38,888</b>	<b>41,233</b>	<b>74,715</b>	<b>81,688</b>	<b>154,456</b>
Fees and commissions	20,660	24,350	51,542	53,572	109,686
Gain/(loss) on financial assets	542	11,278	(13,784)	6,095	(4,867)
Foreign exchange loss	(1,974)	(1,254)	(223)	(91)	(665)
Other income	16,374	200	16,509	316	16,884
<b>Total net revenue</b>	<b>74,490</b>	<b>75,807</b>	<b>128,759</b>	<b>141,580</b>	<b>275,494</b>
Impairment gain/(loss) on financial assets	1,041	3,174	3,676	5,571	(3,133)
Impairment loss on non-financial assets	--	--	--	--	(26)
Administrative expenses	(10,313)	(9,911)	(20,715)	(19,945)	(41,136)
Other operating expenses	(13,606)	(11,474)	(24,630)	(23,409)	(45,364)
<b>Profit before taxation</b>	<b>51,612</b>	<b>57,596</b>	<b>87,090</b>	<b>103,797</b>	<b>185,835</b>
Taxation charge	(11,157)	(11,341)	(16,944)	(23,311)	(34,058)
<b>Profit for the period/year</b>	<b>40,455</b>	<b>46,255</b>	<b>70,146</b>	<b>80,486</b>	<b>151,777</b>

## Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Unaudited Six months ended		Audited Sep 2022
	Mar 2023 \$'000	Mar 2022 \$'000	Mar 2023 \$'000	Mar 2022 \$'000	Sep 2022 \$'000
<b>Profit for the period/year</b>	<b>40,455</b>	<b>46,255</b>	<b>70,146</b>	<b>80,486</b>	<b>151,777</b>
<b>Other comprehensive income:</b>					
<i>Items that will not be classified to profit or loss</i>					
Net losses on investments in equity instruments designated at FVOCI	(59,020)	(13,448)	(75,477)	(49,852)	(5,665)
	(59,020)	(13,448)	(75,477)	(49,852)	(5,665)
<i>Items that may be reclassified to profit or loss</i>					
Net gains/(losses) on investments in debt instruments designated at FVOCI	13,812	(104,061)	57,422	(118,603)	(230,639)
Exchange differences on translation	(569)	(191)	--	--	--
	<b>13,243</b>	<b>(104,252)</b>	<b>57,422</b>	<b>(118,603)</b>	<b>(230,639)</b>
Total other comprehensive loss for the period/year net of tax	<b>(45,777)</b>	<b>(117,700)</b>	<b>(18,055)</b>	<b>(168,455)</b>	<b>(236,304)</b>
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(5,322)</b>	<b>(71,445)</b>	<b>52,091</b>	<b>(87,969)</b>	<b>(84,527)</b>

## Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Total Equity \$'000
<b>Balance at 1 October 2022</b>	<b>637,697</b>	<b>816,545</b>	<b>(11,451)</b>	<b>1,442,791</b>
Profit for the period	--	70,146	--	70,146
Other comprehensive loss	--	--	(18,055)	(18,055)
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>70,146</b>	<b>(18,055)</b>	<b>52,091</b>
<i>Transactions with owners:</i>				
Dividends paid	--	(76,807)	--	(76,807)
<b>Total transactions with owners</b>	<b>--</b>	<b>(76,807)</b>	<b>--</b>	<b>(76,807)</b>
<b>Balance at 31 March 2023</b>	<b>637,697</b>	<b>809,884</b>	<b>(29,506)</b>	<b>1,418,075</b>
<b>Balance at 1 October 2021</b>	<b>637,697</b>	<b>775,911</b>	<b>224,853</b>	<b>1,638,461</b>
Profit for the Period	--	80,486	--	80,486
Other comprehensive loss	--	--	(168,455)	(168,455)
<b>Total comprehensive loss for the period</b>	<b>--</b>	<b>80,486</b>	<b>(168,455)</b>	<b>(87,969)</b>
<i>Transactions with owners:</i>				
Dividends paid	--	(111,143)	--	(111,143)
<b>Total transactions with owners</b>	<b>--</b>	<b>(111,143)</b>	<b>--</b>	<b>(111,143)</b>
<b>Balance at 31 March 2022</b>	<b>637,697</b>	<b>745,254</b>	<b>56,398</b>	<b>1,439,349</b>
<b>Balance at 1 October 2021</b>	<b>637,697</b>	<b>775,911</b>	<b>224,853</b>	<b>1,638,461</b>
Profit for the year	--	151,777	--	151,777
Other comprehensive loss	--	--	(236,304)	(236,304)
<b>Total comprehensive loss for the year</b>	<b>--</b>	<b>151,777</b>	<b>(236,304)</b>	<b>(84,527)</b>
<i>Transactions with owners:</i>				
Dividends paid	--	(111,143)	--	(111,143)
<b>Total transactions with owners</b>	<b>--</b>	<b>(111,143)</b>	<b>--</b>	<b>(111,143)</b>
<b>Balance at 30 September 2022</b>	<b>637,697</b>	<b>816,545</b>	<b>(11,451)</b>	<b>1,442,791</b>

## Consolidated Statement of Cash Flows

	Unaudited Mar 2023 \$'000	Unaudited Mar 2022 \$'000	Audited Sep 2022 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation	87,090	103,797	185,835
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain)/loss on financial assets	(3,676)	(5,571)	3,156
Impairment loss on non-financial assets	--	--	3
Interest income	(129,029)	(143,747)	(277,330)
Interest expense	54,356	62,102	122,874
Interest on right of use assets	153	164	371
Depreciation	942	851	1,863
Depreciation for right of use assets	862	764	1,747
Amortisation	842	841	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	(54)	74	719
Unrealised (gain)/loss on financial assets	(11)	(20)	16
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>11,484</b>	<b>19,255</b>	<b>40,852</b>
<b>Net change in fair value through other comprehensive income financial assets</b>	<b>(99,956)</b>	<b>(146,075)</b>	<b>335,106</b>
<b>Net change in amortised cost financial assets</b>	<b>94,714</b>	<b>97,550</b>	<b>186,502</b>
<b>Net change in fair value through profit &amp; loss assets</b>	<b>63</b>	<b>28</b>	<b>(45)</b>
<b>Net change in other assets</b>	<b>6,184</b>	<b>(4,902)</b>	<b>9,202</b>
<b>Net change in right of use assets</b>	<b>(404)</b>	<b>(1,061)</b>	<b>(922)</b>
<b>Net change in securities sold under repurchase agreements</b>	<b>(93,212)</b>	<b>180,902</b>	<b>(82,768)</b>
<b>Net change in creditors and accrued expenses</b>	<b>(31,189)</b>	<b>(62,901)</b>	<b>22,268</b>
<b>Net change in right of use liabilities</b>	<b>404</b>	<b>--</b>	<b>--</b>
<b>Net change in funds under management</b>	<b>(73)</b>	<b>(172)</b>	<b>(844)</b>
<b>Net change in borrowings</b>	<b>11,953</b>	<b>173,223</b>	<b>(212,842)</b>
<b>Cash (used in)/generated from operations</b>	<b>(100,032)</b>	<b>255,847</b>	<b>296,509</b>
Interest received	129,247	143,994	291,309
Interest paid	(51,731)	(64,402)	(128,343)
Income taxes paid	(17,666)	(21,278)	(51,181)
<b>Net cash flow from operating activities</b>	<b>(40,182)</b>	<b>314,161</b>	<b>408,294</b>
<b>Cash flows from investing activities</b>			
Change in short term investment	--	--	(69)
Proceeds from disposal of rights of use assets	--	--	145
Proceeds from disposal of property and equipment	--	--	97
Proceeds from disposal of intangible assets	--	1,370	--
Purchase of financial assets	--	(1,613)	(972)
Purchase of property and equipment	(130)	(737)	(1,320)
<b>Net cash flow used in investing activities</b>	<b>(130)</b>	<b>(980)</b>	<b>(2,119)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal on right of use assets	(1,011)	(764)	(2,010)
Repayment of loan from parent company	(2,520)	(103,065)	(105,506)
Ordinary dividend paid	(76,808)	(111,143)	(111,143)
<b>Net cash flows used in financing activities</b>	<b>(80,339)</b>	<b>(214,972)</b>	<b>(218,659)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(120,651)</b>	<b>98,209</b>	<b>187,516</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>450,157</b>	<b>262,641</b>	<b>262,641</b>
<b>Cash and cash equivalents at end of the period/year</b>	<b>329,506</b>	<b>360,850</b>	<b>450,157</b>

# First Citizens Investment Services Limited and its Subsidiaries A Subsidiary of First Citizens Bank Limited

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED MARCH 31 2023

(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 statements for the six months' period ended 31 March 2023, 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

	Mar 2023	Mar 2022	Sept 2022
	\$'000	\$'000	\$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts	5,942	7,164	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.

	Mar 2023	Mar 2022	Sept 2022
	\$'000	\$'000	\$'000

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

##### Statement of financial position:

Securities sold under repurchase agreements	(2,006)	(8,184)	(8,852)
	<b>(2,006)</b>	<b>(8,184)</b>	<b>(8,852)</b>

##### Statement of income:

Interest expense	(75)	(103)	(192)
Salaries and other short-term employee benefits	(4,092)	(3,739)	(6,528)
	<b>(4,167)</b>	<b>(3,842)</b>	<b>(6,720)</b>

#### (b) Related Companies

The following related party transactions are included in the Statement of Income and Statement of Financial Position for the six months ended March 2023:

Statement of Income	Parent \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
Interest Income	118	2	30,653	5,318
Interest Expense	(5,201)	(2,339)	--	(2,153)
	<b>(5,083)</b>	<b>(2,337)</b>	<b>30,653</b>	<b>3,165</b>

## Notes to the Consolidated Financial Statements (cont'd)

### 5 Related Party Transactions (cont'd)

#### Statement of Financial Position

	Parent \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
<b>Assets:</b>				
Cash and due from other banks	237,160	18,415	--	--
Other assets	--	65	--	--
Financial assets	--	--	1,467,077	193,204
<b>Liabilities:</b>				
Securities sold under repurchase agreements	--	(429,792)	--	(419,389)
Creditors and accrued expenses	(30,875)	(884)	--	--
Leases	(1,149)	--	--	--
Loan from parent company	(254,508)	--	--	--
	<b>(49,372)</b>	<b>(412,196)</b>	<b>1,467,077</b>	<b>(226,185)</b>

The following related party transactions are included in the Statement of Income and Statement of financial position for the six months ended March 2022:

#### Statement of Income

	Parent \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
Interest Income	117	1	32,223	6,368
Interest Expenses	--	(889)	--	(4,608)
	<b>117</b>	<b>(888)</b>	<b>32,223</b>	<b>1,760</b>

#### Statement of financial position

	Parent \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
<b>Assets:</b>				
Cash and due from other banks	219,717	34,307	--	--
Other assets	--	--	--	--
Financial assets	194	--	1,366,595	229,746
<b>Liabilities:</b>				
Securities sold under repurchase agreements	--	(431,017)	--	(810,800)
Creditors and accrued expenses	(31,316)	(2,293)	--	--
Loan from parent	(259,676)	--	--	--
	<b>(71,081)</b>	<b>(399,003)</b>	<b>1,366,595</b>	<b>(581,054)</b>

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 \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
Interest Income	268	4	63,825	11,865
Interest Expense	(10,488)	(2,489)	--	(9,635)
	<b>(10,220)</b>	<b>(2,485)</b>	<b>63,825</b>	<b>2,230</b>

#### Statement of financial position

	Parent \$'000	Related companies \$'000	GORTT \$'000	State-owned Enterprises \$'000
<b>Assets:</b>				
Cash and due from other banks	289,296	19,007	--	--
Financial assets	194	--	1,477,254	194,952
<b>Liabilities:</b>				
Securities sold under repurchase agreements	--	(375,377)	--	(731,220)
Creditors and accrued expenses	(27,934)	(836)	--	--
Leases	(1,011)	--	--	--
Loan from parent	(257,107)	--	--	--
	<b>3,438</b>	<b>(357,206)</b>	<b>1,477,254</b>	<b>(536,268)</b>

### 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.