

First Citizens Bank Limited And Its Subsidiaries

(A Subsidiary of First Citizens Group Financial Holdings Limited)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2023

(Expressed in Trinidad and Tobago dollars)



First Citizens

Condensed Consolidated Interim Statement of Financial Position

	Unaudited Mar-2023 \$'000	Unaudited Mar-2022 \$'000	Audited Sep-2022 \$'000
ASSETS			
Cash and Statutory Deposits	11,086,174	10,069,180	11,527,904
Financial Assets			
- Investments	12,258,499	16,314,805	13,203,048
- Loans and receivables less allowance for loan losses:			
Loans to customers	19,524,946	18,074,988	18,886,554
Loans notes	--	36,850	--
Other assets	500,667	719,689	531,028
Investment in joint ventures & associates	248,926	236,530	244,114
Property, plant and equipment	756,046	577,850	694,494
Intangible asset	257,338	229,513	261,087
Defined benefit asset	98,081	--	91,814
TOTAL ASSETS	44,730,677	46,259,405	45,440,043
LIABILITIES			
Customers' deposits and other funding instruments	32,666,229	32,755,018	32,318,082
Due to other banks	1,316,741	1,733,115	1,304,140
Creditors and accrued expenses	720,267	824,915	734,463
Lease Liabilities	240,862	91,221	184,457
Debt securities in issue	1,716,157	2,951,169	2,951,169
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	36,718,256	38,413,438	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	912,829	1,104,645	932,384
Retained earnings	5,399,623	5,041,353	5,257,379
SHAREHOLDERS' EQUITY	8,012,421	7,845,967	7,889,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	44,730,677	49,259,405	45,440,043

On 24 April 2023, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director *Anthony Isidore Smart*

Director *Edwin Wharf*

Condensed Consolidated Interim Income Statement

Note	Unaudited Three months ended		Unaudited Six months ended		Audited Sep-2022 \$'000
	Mar-2023 \$'000	Mar-2022 \$'000	Mar-2023 \$'000	Mar-2022 \$'000	
Net interest income	450,644	361,623	867,447	723,735	1,491,279
Other income	149,021	162,531	302,621	337,810	647,332
Total net income	599,665	524,154	1,170,068	1,061,545	2,138,611
Impairment expenses					
net recoveries	(7,748)	(11,699)	989	(6,329)	25,267
Expenses	(360,684)	(295,897)	(669,443)	(595,228)	(1,265,593)
Operating profit	231,233	216,558	501,614	459,988	898,285
Share of profit in associates and joint venture	4,539	5,076	10,335	10,480	26,720
Profit before taxation	235,772	221,634	511,949	470,468	925,005
Taxation	(70,074)	(67,295)	(145,882)	(134,120)	(189,212)
Profit after taxation	165,698	154,339	366,067	336,348	735,793

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Unaudited Six months ended		Audited Sep-22 \$'000
	Mar-23 \$'000	Mar-22 \$'000	Mar-23 \$'000	Mar-22 \$'000	
Profit after taxation	165,698	154,339	366,067	336,348	735,793
Other comprehensive income:					
Items that will not be classified to profit or loss					
Remeasurement of defined benefit liability	--	--	--	--	(41,519)
Net gains on investments in equity instruments designated at FVOCI	(52,639)	1,650	(57,622)	(366)	(22,507)
Revaluation of property, plant and equipment net of tax	--	--	--	--	407
	(52,639)	1,650	(57,622)	(366)	(63,619)
Items may be classified to profit or loss					
Exchange difference on translation	(9,362)	(11,519)	(2,842)	(3,508)	(5,496)
Reclassified to profit or loss on disposal	(1,242)	(31,706)	10,924	(44,510)	(43,451)
Net (losses) / gains on financial assets measured at FVOCI	986	(111,568)	29,985	(167,937)	(276,016)
	(9,618)	(154,793)	38,067	(215,955)	(324,963)
Total other comprehensive income	(62,257)	(153,143)	(19,555)	(216,321)	(388,582)
Total comprehensive income	103,441	(1,196)	346,512	120,027	347,211

Condensed Consolidated Statement of Changes in Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'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
Total comprehensive (loss) / income	--	--	(19,555)	366,067	346,512
Dividends	--	--	--	(223,823)	(223,823)
Balance at 31 March 2023	458,557	1,241,412	912,829	5,399,623	8,012,421
Balance at 1 October 2021	458,557	1,241,412	1,320,966	4,924,472	7,945,407
Total comprehensive (loss) / income	--	--	(216,321)	336,348	120,027
Dividends	--	--	--	(219,467)	(219,467)
Balance at 31 March 2022	458,557	1,241,412	1,104,645	5,041,353	7,845,967
Balance 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 2022	458,557	1,241,412	932,384	5,257,379	7,889,732

Condensed Consolidated Statement of Cash Flow

	Unaudited Mar-2023 \$'000	Unaudited Mar-2022 \$'000	Audited Sep-2022 \$'000
Cash Flow From Operating Activities			
Profit before taxation	511,949	470,468	925,005
Adjustments to reconcile profit to net cash provided by operating activities:	(803,160)	(715,057)	(1,428,061)
Cashflows from operating activities before changes in operating assets and liabilities	(291,211)	(244,589)	(503,056)
Changes in operating assets and liabilities:			
Net change in loans to customers	(626,640)	15,348	(764,512)
Net change in customers' deposits and other funding	348,147	(174,291)	(611,228)
Net change in other assets	(15,077)	(69,430)	(14,680)
Net change in statutory deposits with Central Bank	64,703	1,048,767	(565,313)
Net change in investments instruments	917,416	(859,549)	2,068,263
Interest received	999,036	896,069	1,802,578
Interest paid	(144,141)	(158,328)	(309,295)
Net change in creditors and accrued expenses	(42,411)	(135,269)	(67,311)
Taxes paid	(84,003)	(137,206)	(308,099)
Net cash flow from operating activities	1,125,819	181,522	727,347
Cash Flows From Investing Activities			
Net change in loan notes	--	36,850	73,700
Net change in short-term investments	(472,489)	(456,992)	565,436
Proceeds from disposal of property, plant and equipment	1,778	1,901	1,229
Purchase of property, plant and equipment	(46,516)	(41,024)	(138,618)
	(517,227)	(459,265)	501,747
Cash Flows From Financing Activities			
Repayment of debt securities	(1,235,012)	(20,802)	(20,802)
Repayment of Lease liabilities	(16,862)	(12,845)	(34,211)
Dividend paid	(223,823)	(219,467)	(402,886)
Net cash flow from financing activities	(1,475,697)	(253,114)	(457,899)
Net cash (decrease) in cash and cash equivalents	(867,105)	(530,857)	771,195
Cash and cash equivalents at beginning of year	4,626,278	3,864,595	3,864,595
Effect of exchange rate change	4,988	(3,509)	(9,512)
Cash and cash equivalents at end of period	3,764,161	3,330,229	4,626,278
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	11,086,174	10,069,180	11,527,904
Due to other banks	(1,316,741)	(1,733,115)	(1,304,140)
Less:			
Statutory Deposits	(5,087,749)	(3,538,373)	(5,152,452)
Short Term Investments (Maturity over 3 months)	(917,523)	(1,467,463)	(445,034)
	3,764,161	3,330,229	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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(Expressed in Trinidad and Tobago dollars)



First Citizens

Notes to the Condensed Consolidated Interim Financial Statements (cont'd)

1 General Information (continued)

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%
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%
	Provision of short term loans to individuals and small-medium size businesses	Barbados	19.99%
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-medium sizes business	Trinidad & Tobago	19.9%

2 Basis of preparation

The interim consolidated financial statement for the six months period ended 31 March 2023, 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

	March 2023 \$'000	March 2022 \$'000	September 2022 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	194,108	140,838	122,266
Credit Commitments			
Commitments for loans approved not yet disbursed:	849,073	615,344	635,350

5 Credit impairment losses net recoveries

	March 2023	March 2022	September 2022
Expected Credit Losses			
Loans and advances	(2,143)	(14,876)	17,252
Other financial assets	3,132	8,547	8,015
	989	(6,329)	25,267

6 Related Party Transactions

(a) Directors and key management personnel

	March 2023	March 2022	September 2022
Salaries and other short-term employee benefits	36,242	35,792	61,678
Loans and receivables	19,955	15,719	15,864
Interest income	412	265	625
Customers' Deposits	34,041	22,782	29,979
Interest expense	162	140	292
Other Funding instruments	2,006	6,846	8,852
Interest expense-Other funding	75	86	192

(b) Transactions with related parties

	March 2023	March 2022	September 2022
Customers' Deposit	4,831	3,858	3,704
Long-term notes	58,000	58,000	58,000
Loan Note	--	2,607	--
Interest income on loan notes	--	299	449
Customer Deposit - parent	8,862	9,254	10,647
Due from parent	734	438	859
Due to other related parties	286	271	18

(c) Pension Plan

	March 2023	March 2022	September 2022
Employer's contribution	28,391	28,703	54,125

Notes to the Condensed Consolidated Interim Financial Statements (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 2023 \$'000	March 2022 \$'000	September 2022 \$'000
Assets			
Loan notes with Taurus Services Limited	--	34,243	--
Liabilities			
Due to GORTT	26,572	26,572	26,568
Interest Income			
Loan notes	--	3,927	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:

	March 2023 \$'000	March 2022 \$'000	September 2022 \$'000
Loans to customers	3,207,920	3,508,657	3,535,333
Interest income	108,458	104,480	217,354
Customers' deposits	10,602,175	9,761,918	9,945,476
Interest expense	9,127	6,842	15,571
Investments	6,896,523	10,261,110	7,277,213
Investment income	185,274	183,610	348,757
Other funding instruments	419,389	810,880	731,220
Interest expense	2,153	4,608	9,635

(f) Small & Medium Enterprises (SME) Stimulus Loan

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

	March 2023 \$'000	March 2022 \$'000	September 2022 \$'000
SME Loans	63,890	26,634	63,756
Interest income	953	256	942

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

	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Period ended						
31 March 2023						
Total net revenue	843,588	543,687	50,014	2,228	(269,449)	1,170,068
Profit Before Taxation	484,116	396,394	24,854	(141,394)	(252,021)	511,949
Total Assets	22,914,612	22,789,122	460,345	667,459	(2,100,861)	44,730,677
Period ended						
31 March 2022						
Total net revenue	780,170	384,182	52,101	(3,545)	(151,363)	1,061,545
Profit Before Taxation	436,137	281,886	27,603	(140,955)	(134,203)	470,468
Total Assets	22,540,436	24,502,586	613,640	630,169	(2,027,426)	46,259,405
Year ended						
30 September 2022						
Total net revenue	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