

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

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

Nine months ended 30 June 2023

First Citizens Bank Limited

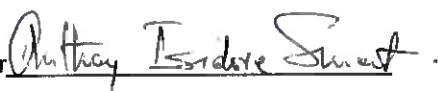
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First Citizens Bank Limited
Unaudited Financial Statements
For the nine months ended 30 June 2023

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

	Unaudited Jun-2023 \$'000	Unaudited Jun-2022 \$'000	Audited Sep-2022 \$'000
ASSETS			
Cash and Statutory Deposit	8,818,257	8,929,490	10,294,826
Financial Assets			
- Fair value through other comprehensive income and amortised cost	6,538,413	8,265,284	6,761,196
- Loans and receivables less allowance for loan losses:			
Loans to customers	17,720,454	16,273,717	16,600,344
Loan Notes	681,861	654,009	752,584
Other assets	490,207	483,718	495,658
Investment in subsidaires	1,062,351	1,062,351	1,062,351
Property, plant and equipment	615,977	463,053	550,660
Intangible assets - software	90,125	80,581	86,859
Tax Receivable	61,904	45,929	75,386
Defined Benefit Asset	101,283	152,327	91,814
TOTAL ASSETS	36,180,832	36,410,459	36,771,678
LIABILITIES			
Customers' deposits and other fundings	26,657,269	26,534,752	26,928,333
Due to other banks	358,615	21,702	-
Creditors and accrued expenses	454,649	388,516	361,044
Lease liabilities	214,375	94,445	162,817
Bonds payable	1,716,157	2,951,169	2,951,169
Deferred income tax liability	154,638	191,345	149,319
Notes to related parties	58,000	58,000	58,000
TOTAL LIABILITIES	29,613,703	30,239,929	30,610,682
SHAREHOLDERS' EQUITY			
Share capital	458,557	458,557	458,557
Statutory reserve	1,200,000	1,200,000	1,200,000
Fair Value reserve	447,591	500,059	439,286
Retained earnings	4,460,981	4,011,914	4,063,153
SHAREHOLDERS' EQUITY	6,567,129	6,170,530	6,160,996
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,180,832	36,410,459	36,771,678

On 31 July 2023, the Board of Directors of First Citizens Bank Limited authorised these unconsolidated financial statements for issue.

Director 

Director 

First Citizens Bank Limited

Unaudited Financial Statements

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

	Unaudited Three months ended		Unaudited Nine months ended		Audited Year ended
	Jun-2023 \$'000	Jun-2022 \$'000	Jun-2023 \$'000	Jun-2022 \$'000	Sep-2022 \$'000
Net interest income	418,309	298,583	1,138,808	875,446	1,200,978
Other income	93,992	89,233	269,662	295,675	382,224
Dividend Income	35,720	13,400	298,279	157,653	164,343
Total net income	548,021	401,126	1,706,749	1,328,774	1,747,545
Credit impairment (losses)/gain on loans	(2,801)	45,070	(7,771)	34,562	14,166
Credit impairment losses/write back on other financial assets	3,071	5,018	1,876	6,571	10,507
Non-interest expense	(267,281)	(263,340)	(797,577)	(725,967)	(993,326)
Profit before taxation	281,010	187,964	903,277	643,940	778,892
Taxation	(64,182)	(57,952)	(184,863)	(149,612)	(135,366)
Profit after taxation	216,828	130,012	718,414	494,328	643,526

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

	Unaudited Three months ended		Unaudited Nine months ended		Audited Year ended
	Jun-2023 \$'000	Jun-2022 \$'000	Jun-2023 \$'000	Jun-2022 \$'000	Sep-2022 \$'000
Profit for the period	216,828	130,012	718,414	494,328	643,526
Other comprehensive income:					
Items that will not be reclassified to Profit or Loss					
Revaluation of property, plant and equipment	--	--	--	--	2,487
Re-measurement of defined benefit obligation	--	--	--	--	(41,519)
Net (losses)/gains on investments in equity securities measured at fair value through other comprehensive income	4,489	(9,291)	22,343	(9,657)	(16,842)
	4,489	(9,291)	22,343	(9,657)	(55,874)
Items that may be reclassified to Profit or Loss					
Exchange difference on translation	249	(521)	1,075	(512)	(3,873)
Gains arising on disposal of debt instruments reclassified to profit or loss on disposal	(558)	(10,033)	(3,598)	(48,626)	(48,626)
Net (losses)/gains on investments in debt instruments measured at fair value through other comprehensive income	2,138	(23,611)	(11,515)	(29,007)	(40,202)
	1,829	(34,165)	(14,038)	(78,145)	(92,701)
Total other comprehensive (loss) for the period	6,318	(43,456)	8,305	(87,802)	(148,575)
Total comprehensive income for the period	223,146	86,556	726,719	406,526	494,951

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Condensed Unconsolidated Interim - Statement of Changes in Equity
Period ended 30 June 2023 (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 2022	458,557	1,200,000	439,286	4,063,153	6,160,996
Other Comprehensive income	--	--	8,305	718,414	726,719
Dividend	--	--	--	(320,586)	(320,586)
Balance at 30 June 2023	458,557	1,200,000	447,591	4,460,981	6,567,129
Balance at 1 October 2021	458,557	1,200,000	587,861	3,822,513	6,068,931
Other Comprehensive (loss)/ income	--	--	(87,802)	494,328	406,526
Dividend	--	--	--	(304,927)	(304,927)
Balance at 30 June 2022	458,557	1,200,000	500,059	4,011,914	6,170,530
Balance as at 1 October 2021	458,557	1,200,000	587,861	3,822,513	6,068,931
Other comprehensive (loss)/income for the year	--	--	(148,575)	643,526	494,951
Dividends	--	--	--	(402,886)	(402,886)
Balance at 30 September 2022	458,557	1,200,000	439,286	4,063,153	6,160,996

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Condensed Unconsolidated – Statement of Cashflow
Period ended 30 June 2023 (expressed in Trinidad and Tobago Dollars)

	Unaudited Jun-2023 \$'000	Unaudited Jun-2022 \$'000	Audited Sep-2022 \$'000
Cash Flow From Operating Activities			
Profit before taxation	903,277	643,940	778,892
Adjustments to reconcile profit to net cash provided by operating activities:			
	(1,045,941)	(784,229)	(1,137,379)
Cash flows from operating activities before changes in operating assets and liabilities	(142,664)	(140,289)	(358,487)
Net change in loans to customers	(1,109,199)	(329,108)	(672,095)
Net change in customers' deposits & other funding	(271,064)	(985,492)	(591,913)
Net change in other assets	(1,970)	14,009	33,771
Net change in statutory deposits with Central Bank	1,444,868	1,556,324	(561,340)
Net change in creditors and accrued expenses	70,000	28,596	9,424
Pension contributions paid	(42,587)	(43,055)	(54,125)
Interest paid on lease liabilities	(4,863)	(3,982)	(8,017)
Interest received	1,247,610	1,053,707	1,417,241
Interest paid	(135,077)	(150,947)	(191,594)
Net change in financial assets fair value through other comprehensive income and amortised cost	237,878	57,369	1,634,661
Taxes paid	(106,225)	(164,695)	(226,921)
Net cash flow from operating activities	1,186,707	892,437	430,606
Cash Flows From Investing Activities			
Net increase in loan notes receivable	70,723	245,650	147,075
Net change in short-term investments	(129,858)	(434,002)	536,223
Investment in subsidiaries	--	6,023	6,023
Proceeds from disposal of property, plant and equipment	2,434	77	746
Purchase of intangible assets	(17,009)	(42,456)	(53,396)
Purchase of property, plant and equipment	(48,337)	(41,825)	(73,968)
	(122,047)	(266,533)	562,703
Cash Flows From Financing Activities			
Net change in due to/from subsidiaries	(6,387)	6,375	(3,174)
Repayment on lease liability	(31,387)	(20,802)	(34,724)
Dividend paid	(320,586)	(304,927)	(402,886)
Net change of bond payable	(1,235,012)	(21,048)	(20,802)
	(1,593,372)	(340,402)	(461,586)
Net cash increase in cash and cash equivalents	(528,712)	285,502	531,722
Cash and cash equivalents at beginning of year	4,849,975	4,328,617	4,328,618
Effect of exchange rate changes	8,538	(3,745)	(10,365)
Cash and cash equivalents at end of period	4,329,801	4,610,374	4,849,975
REPRESENTED BY:-			
Cash and due from banks	8,818,257	8,929,490	10,294,826
Statutory Deposit	(3,576,268)	(2,903,472)	(5,021,136)
Due to other banks	(358,615)	(21,702)	--
Short Term Investments (Maturity over 3 months)	(553,573)	(1,393,942)	(423,715)
	4,329,801	4,610,374	4,848,975

First Citizens Bank Limited
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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 Bank operates primarily in Trinidad and Tobago.

The Bank is a wholly owned subsidiary of First Citizens Group Financial Holdings Limited (FCGFH), a company owned by First Citizens Holdings Limited (Holdings). Holdings is a company with a 60.1% controlling interest in the FCGFH and which is owned by the Government of the Republic of Trinidad and Tobago (GORTT). 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.

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%

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Notes to the Condensed Unconsolidated Interim Financial Statements

2 Basis of preparation

The interim unconsolidated financial statement for the six months period ended 30 June 2023, 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 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

	June 2023 \$'000	June 2022 \$'000	September 2022 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	<u>174,612</u>	<u>161,613</u>	<u>169,849</u>
Credit Commitments			
Commitments for loans approved not yet disbursed:	<u>529,631</u>	<u>329,248</u>	<u>621,523</u>

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Notes to the Condensed Unconsolidated Interim Financial Statements

5 Related Party Transactions

(a) Directors and key management personnel

	June	June	September
	2023	2022	2022
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	35,397	35,911	45,110
Loans and receivables	11,576	10,518	13,374
Interest income	454	322	505
Customers' Deposits	29,250	26,000	27,905
Interest expense	229	195	268

(b) Transactions and balances with related parties

Due from subsidiaries	42,296	34,092	56,809
Due to subsidiaries	(683)	(8,413)	(21,583)
Customers' deposits	(496,531)	(547,530)	(648,724)
Loan note receivable	681,861	617,159	752,584
Loan note receivable - interest income	30,757	14,607	23,087
Long-term notes payable	58,000	58,000	58,000
Other income	2,182	2,115	2,814
Other expense	316	140	180

(c) Transactions with parent - FCGFH

Customers' deposits	14,539	11,205	10,647
Due from Parent	520	--	859

(d) Pension Plan

Employer's contribution	42,587	43,055	54,125
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Notes to the Condensed Unconsolidated Financial Statements

5 Related Party Transactions (cont'd)

(e) 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:

	June 2023 \$'000	June 2022 \$'000	September 2022 \$'000
Assets			
Loan notes with Taurus Services	--	34,242	--
Liabilities			
Due to GORTT	26,572	26,568	26,568
Interest Income			
Loan notes	--	4,909	6,351

(f) 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:

	June 2023 \$'000	June 2022 \$'000	September 2022 \$'000
Loans and receivables	3,455,919	3,166,542	3,535,333
Interest income	178,094	145,390	217,355
Customers' deposits	10,159,375	10,010,711	9,945,476
Interest expense	13,274	11,301	15,571
Financial assets – Hold to collect and sell	5,074,301	8,066,380	5,094,649
Financial assets – Hold to collect	416,796	544,603	705,310
Investment income	228,849	261,470	284,932

(g) 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	62,783	47,709	63,756
Interest income	1,420	514	942

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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 June 2023</u>	Retail Banking	Corporate Banking	Treasury & Investment Banking	Group functions	Total
Total net revenue	618,951	532,329	551,842	3,627	1,706,749
Operating profit	208,071	508,932	398,396	(212,122)	903,277
Total Assets	7,506,884	11,909,622	16,010,866	753,460	36,180,832
<u>As at June 2022</u>	Retail Banking	Corporate Banking	Treasury & Investment Banking	Group functions	Total
Total net revenue	594,142	428,026	311,719	(5,113)	1,328,774
Operating profit	217,147	452,194	187,752	(213,153)	643,940
Total Assets	7,102,421	11,838,069	16,722,619	747,350	36,410,459
<u>As at September 2022</u>	Retail Banking	Corporate Banking	Treasury & Investment Banking	Group functions	Total
Total net revenue	814,127	574,576	352,850	5,992	1,747,545
Operating profit	291,924	556,187	221,646	(290,865)	778,892
Total Assets	7,150,360	11,165,258	17,361,198	1,094,862	36,771,678