

# First Citizens Investment Services Limited and its Subsidiaries

## A Subsidiary of First Citizens Bank Limited

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED JUNE 30, 2023

(Expressed in Trinidad and Tobago dollars)



First Citizens

### Consolidated Statement of Financial Position

	Unaudited Jun '23 \$'000	Unaudited Jun '22 \$'000	Audited Sept '22 \$'000
<b>ASSETS</b>			
Cash and due from banks	217,976	437,321	452,616
Financial assets			
- Fair value through other comprehensive income	2,146,474	2,648,868	2,137,509
- Amortised cost	3,659,318	3,822,233	3,734,961
- Fair value through profit and loss	576	667	636
Intangible assets	6,315	7,771	8,085
Property and equipment	41,943	43,101	43,076
Right of use assets	5,494	1,839	4,144
Other assets	19,641	25,572	32,481
Deferred income tax asset	7,186	1,356	702
Tax recoverable	21,553	19,927	21,185
<b>TOTAL ASSETS</b>	<b>6,126,476</b>	<b>7,008,655</b>	<b>6,435,395</b>
<b>LIABILITIES</b>			
Borrowings	1,293,996	1,695,644	1,292,720
Funds under management	6,097	6,234	6,221
Securities sold under repurchase agreements	2,999,350	3,538,355	3,280,111
Creditors and accrued expenses	151,451	114,477	130,113
Loan from parent company	256,172	254,530	257,107
Lease liabilities	5,627	1,930	4,287
Deferred income tax liability	1,508	5,899	10,756
Tax payable	5,258	7,967	11,289
<b>TOTAL LIABILITIES</b>	<b>4,719,459</b>	<b>5,625,036</b>	<b>4,992,604</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	637,697	637,697	637,697
Retained earnings	819,110	785,307	816,545
Other reserves	(49,790)	(39,385)	(11,451)
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>1,407,017</b>	<b>1,383,619</b>	<b>1,442,791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,126,476</b>	<b>7,008,655</b>	<b>6,435,395</b>

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

On 21 August 2023, the Board of Directors of First Citizens Investment Services Limited authorised these consolidated financial statements for issue.

 Director: 

### Consolidated Statement of Income

	Unaudited Three months ended Jun '23 \$'000		Unaudited Nine months ended Jun '23 \$'000		Audited Sep '22 \$'000
Interest income	65,934	66,642	195,005	210,432	277,330
Interest expense	(27,790)	(30,534)	(82,146)	(92,636)	(122,874)
<b>Net interest income</b>	<b>38,144</b>	<b>36,108</b>	<b>112,859</b>	<b>117,796</b>	<b>154,456</b>
Fees and commissions	20,093	29,813	71,635	83,385	109,686
Loss on financial assets	(5,371)	(11,978)	(19,155)	(5,883)	(4,867)
Foreign exchange (loss)/gain	2	(10)	(221)	(101)	(665)
Other income	339	2,525	16,848	2,841	16,884
<b>Total net revenue</b>	<b>53,207</b>	<b>56,458</b>	<b>181,966</b>	<b>198,038</b>	<b>275,494</b>
Impairment gain/(loss) on financial assets	2,454	6,386	6,130	11,957	(3,133)
Impairment loss on non-financial assets	--	(21)	--	(21)	(26)
Administrative expenses	(10,792)	(8,885)	(31,507)	(28,830)	(41,136)
Other operating expenses	(11,045)	(11,346)	(35,675)	(34,755)	(45,364)
<b>Profit before taxation</b>	<b>33,824</b>	<b>42,592</b>	<b>120,914</b>	<b>146,389</b>	<b>185,835</b>
Taxation charge	(2,347)	(2,539)	(19,291)	(25,850)	(34,058)
<b>Profit for the period/year</b>	<b>31,477</b>	<b>40,053</b>	<b>101,623</b>	<b>120,539</b>	<b>151,777</b>

### Consolidated Statement of Comprehensive Income

	Unaudited Three months ended Jun '23 \$'000		Unaudited Nine months ended Jun '23 \$'000		Audited Sep '22 \$'000
<b>Profit for the period/year</b>	<b>31,477</b>	<b>40,053</b>	<b>101,623</b>	<b>120,539</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	(20,094)	(9,939)	(95,571)	(59,791)	(5,665)
	(20,094)	(9,939)	(95,571)	(59,791)	(5,665)
<i>Items that may be reclassified to profit or loss</i>					
Net gains/(losses) on investments in debt instruments designated at FVOCI	(189)	(85,844)	57,232	(204,447)	(230,639)
	(189)	(85,844)	57,232	(204,447)	(230,639)
Total other comprehensive loss for the period/year net of tax	(20,283)	(95,783)	(38,339)	(264,238)	(236,304)
<b>Total comprehensive income/(loss) for the period/year</b>	<b>11,194</b>	<b>(55,730)</b>	<b>63,284</b>	<b>(143,699)</b>	<b>(84,527)</b>

### Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Other 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	--	101,623	--	101,623
Other comprehensive loss	--	--	(38,339)	(38,339)
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>101,623</b>	<b>(38,339)</b>	<b>63,284</b>
Transactions with owners:				
Dividends paid	--	(99,058)	--	(99,058)
<b>Total transactions with owners</b>	<b>--</b>	<b>(99,058)</b>	<b>--</b>	<b>(99,058)</b>
<b>Balance at 30 June 2023</b>	<b>637,697</b>	<b>819,110</b>	<b>(49,790)</b>	<b>1,407,017</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	--	120,539	--	120,539
Other comprehensive loss	--	--	(264,238)	(264,238)
<b>Total comprehensive loss for the period</b>	<b>--</b>	<b>120,539</b>	<b>(264,238)</b>	<b>(143,699)</b>
Transactions with owners:				
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 June 2022</b>	<b>637,697</b>	<b>785,307</b>	<b>(39,385)</b>	<b>1,383,619</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>
Transactions with owners:				
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 Jun '23 \$'000	Unaudited Jun '22 \$'000	Audited Sept '22 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation	120,914	146,389	185,835
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain)/loss on financial assets	(6,130)	(11,957)	3,156
Impairment loss on non-financial assets	--	21	3
Interest income	(194,940)	(210,369)	(277,330)
Interest expense	82,146	92,636	122,874
Interest on right of use assets	257	228	371
Depreciation	1,415	1,310	1,863
Depreciation for right of use assets	1,289	1,054	1,747
Amortisation	1,826	1,262	1,683
Gain on disposal of property and equipment	--	(97)	(96)
Loss on disposal of right of use assets	9	--	11
Unrealised foreign exchange (gain)/loss	(80)	430	719
Unrealised (gain)/loss on financial assets	(10)	5	16
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>6,696</b>	<b>20,912</b>	<b>40,852</b>
Net change in fair value through other comprehensive income financial assets	(49,568)	(210,572)	335,106
Net change in amortised cost financial assets	86,557	124,285	186,502
Net change in fair value through profit & loss assets	69	(64)	(45)
Net change in other assets	6,887	16,353	9,202
Net change in right of use assets	(2,648)	--	(922)
Net change in securities sold under repurchase agreements	(298,104)	192,072	(82,768)
Net change in creditors and accrued expenses	22,393	5,723	22,268
Net change in right of use liabilities	2,601	1,704	--
Net change in funds under management	(124)	(779)	(844)
Net change in borrowings	17,850	171,257	(212,842)
Cash (used in)/generated from operations	(207,391)	320,891	296,509
Interest received	181,743	209,638	291,309
Interest paid	(78,407)	(98,571)	(128,343)
Income taxes paid	(25,757)	(40,619)	(51,181)
<b>Net cash flow from operating activities</b>	<b>(129,812)</b>	<b>391,339</b>	<b>408,294</b>
<b>Cash flows from investing activities</b>			
Change in short term investment	(15)	(15)	(69)
Proceeds from disposal of right of use assets	--	--	145
Proceeds from disposal of property and equipment	--	97	97
Proceeds from disposal of intangible assets	--	1,370	--
Purchase of financial assets	--	(1,613)	(972)
Purchase of property and equipment	(282)	(849)	(1,320)
Purchase of right of use assets	(56)	(258)	--
<b>Net cash flow used in investing activities</b>	<b>(353)</b>	<b>(1,268)</b>	<b>(2,119)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal on right of use assets	(1,518)	(1,201)	(2,010)
Repayment of loan from parent company	(3,913)	(105,506)	(105,506)
Ordinary dividend paid	(99,058)	(111,143)	(111,143)
<b>Net cash flows used in financing activities</b>	<b>(104,489)</b>	<b>(217,850)</b>	<b>(218,659)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(234,654)</b>	<b>172,221</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>215,503</b>	<b>434,862</b>	<b>450,157</b>

**First Citizens Investment Services Limited and its Subsidiaries**  
**A Subsidiary of First Citizens Bank Limited**  
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED JUNE 30, 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 nine months' period ended 30 June 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**

	Jun '23	Jun '22	Sept '22
	\$'000	\$'000	\$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts	5,744	7,002	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.

	Jun '23	Jun '22	Sept '22
	\$'000	\$'000	\$'000
<b>(a) Directors and key management personnel</b>			
<b>Statement of financial position:</b>			
Securities sold under repurchase agreements	(2,352)	(8,852)	(8,852)
	<b>(2,352)</b>	<b>(8,852)</b>	<b>(8,852)</b>
<b>Statement of income:</b>			
Interest expense	(109)	(137)	(192)
Salaries and other short-term employee benefits	(5,638)	(5,132)	(6,528)
	<b>(5,747)</b>	<b>(5,269)</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 nine months ended June 2023:

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
<b>Statement of Income</b>				
Interest Income	316	2	35,396	7,960
Interest Expense	(8,133)	(3,688)	--	(4,245)
	<b>(7,817)</b>	<b>(3,686)</b>	<b>35,396</b>	<b>3,715</b>

**Notes to the Consolidated Financial Statements (continued)**

**5 Related Party Transactions (continued)**

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
<b>Statement of Financial Position</b>				
<b>Assets:</b>				
Cash and due from other banks	118,058	13,194	--	--
Other assets	--	65	--	--
Financial assets	--	--	1,482,306	189,927
<b>Liabilities:</b>				
Securities sold under repurchase agreements	--	(369,692)	--	(511,797)
Creditors and accrued expenses	(28,788)	(860)	--	--
Leases	(1,019)	--	--	--
Loan from parent company	(256,172)	--	--	--
	<b>(167,921)</b>	<b>(357,293)</b>	<b>1,482,306</b>	<b>(321,870)</b>

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

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
<b>Statement of Income</b>				
Interest Income	193	7	48,277	9,360
Interest Expense	--	(1,571)	--	(7,168)
	<b>193</b>	<b>(1,564)</b>	<b>48,277</b>	<b>2,192</b>

**Statement of financial position**

<b>Assets:</b>				
Cash and due from other banks	249,103	42,204	--	--
Other assets	--	--	--	--
Financial assets	192	--	1,492,994	214,324
<b>Liabilities:</b>				
Securities sold under repurchase agreements	--	(433,196)	--	(864,911)
Creditors and accrued expenses	(30,522)	(1,996)	--	--
Loan from parent	(254,530)	--	--	--
	<b>(35,757)</b>	<b>(392,988)</b>	<b>1,492,994</b>	<b>(650,587)</b>

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

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
<b>Statement of Income</b>				
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**

<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.