

First Citizens Investment Services and its Subsidiaries

A Subsidiary of First Citizens Bank Limited

Unaudited Consolidated Financial Statements for three months ended December 31, 2023

(Expressed in Trinidad and Tobago dollars)



First Citizens

Consolidated Statement of Financial Position

	Unaudited Dec '23 \$'000	Unaudited Dec '22 \$'000	Audited Sept '23 \$'000
ASSETS			
Cash and due from banks	229,103	382,077	368,689
Financial assets			
- Fair value through other comprehensive income	2,110,664	2,210,112	2,004,231
- Amortised cost	3,906,173	3,691,378	3,753,853
- Fair value through profit and loss	562	598	560
Intangible assets	5,560	7,664	6,079
Property and equipment	45,109	42,666	44,997
Right of use assets	5,224	3,852	5,270
Other assets	29,334	25,805	163,410
Deferred income tax asset	14,948	635	32,276
Tax recoverable	17,367	19,640	17,824
TOTAL ASSETS	6,364,044	6,384,427	6,397,189
LIABILITIES			
Borrowings	1,290,624	1,297,331	1,292,685
Funds under management	6,083	6,233	6,095
Securities sold under repurchase agreements	3,213,241	3,205,134	3,199,721
Creditors and accrued expenses	112,363	87,536	182,780
Loan from parent company	246,998	252,758	272,090
Lease liabilities	5,599	4,005	5,378
Deferred income tax liability	18,823	22,671	19,257
Tax payable	6,271	8,555	6,148
TOTAL LIABILITIES	4,900,002	4,884,223	4,984,154
SHAREHOLDER'S EQUITY			
Share capital	637,697	637,697	637,697
Retained earnings	854,714	846,236	845,575
Other reserves	(28,369)	16,271	(70,237)
TOTAL SHAREHOLDER'S EQUITY	1,464,042	1,500,204	1,413,035
TOTAL EQUITY AND LIABILITIES	6,364,044	6,384,427	6,397,189

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

On 20 February 2024, the Board of Directors of First Citizens Investment Services Limited authorised these consolidated financial statements for issue.

Director

Director

Consolidated Statement of Income

	Unaudited Three months ended		Audited Sept '23 \$'000
	Dec '23 \$'000	Dec '22 \$'000	
Interest income	66,617	63,340	261,626
Interest expense	(29,850)	(27,513)	(110,553)
Net interest income	36,767	35,827	151,073
Fees and commissions	27,031	30,882	115,361
Loss realized on financial assets	(4,143)	(14,326)	(18,367)
Foreign exchange (loss)/gain	(248)	1,751	(500)
Other income	259	135	806
Total net revenue	59,666	54,269	248,373
Impairment gain/(loss) on financial assets	709	2,635	15,997
Impairment loss on non-financial assets	--	--	(54)
Administrative expenses	(11,178)	(10,402)	(43,646)
Other operating expenses	(9,513)	(11,024)	(45,506)
Profit before taxation	39,684	35,478	175,164
Taxation charge	(6,479)	(5,787)	(29,764)
Profit for the period/year	33,205	29,691	145,400

Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Audited Sept '23 \$'000
	Dec '23 \$'000	Dec '22 \$'000	
Profit for the period/year	33,205	29,691	145,500
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Net losses on investments in equity instruments designated at FVOCI	(8,556)	(16,456)	90,407
	(8,556)	(16,457)	90,407
<i>Items that may be reclassified to profit or loss</i>			
Net gains/(losses) on investments in debt instruments designated at FVOCI	50,427	43,610	31,621
Exchange differences on translation	(4)	569	--
	50,423	44,179	31,621
Total other comprehensive income/(loss) for the period/year net of tax	41,867	27,722	(58,786)
Total comprehensive income/(loss) for the period/year	75,072	(57,413)	86,614

Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Total Equity \$'000
Balance at 1 October 2023	637,697	845,575	(70,237)	1,413,035
Profit for the period	--	33,205	--	33,205
Adjustments to Retained Earnings	--	11	--	11
Other comprehensive loss	--	--	41,868	41,868
Total comprehensive income for the period	--	33,216	41,868	75,084
<i>Transactions with owners:</i>				
Dividends paid	--	(24,077)	--	(24,077)
Total transactions with owners	--	(24,077)	--	(24,077)
Balance at 31 December 2023	637,697	854,714	(28,369)	1,464,042
Balance at 1 October 2022	637,697	816,545	(11,451)	1,442,791
Profit for the Period	--	29,691	--	29,691
Other comprehensive loss	--	--	27,722	27,722
Total comprehensive loss for the period	--	29,691	27,722	57,413
<i>Transactions with owners:</i>				
Dividends paid	--	--	--	--
Total transactions with owners	--	--	--	--
Balance at 31 December 2022	637,697	846,236	16,271	1,500,204
Balance at 1 October 2022	637,697	816,545	(11,451)	1,442,791
Profit for the year	--	145,400	--	145,400
Other comprehensive loss	--	--	(58,786)	(58,786)
Total comprehensive loss for the year	--	145,400	(58,786)	(86,614)
<i>Transactions with owners:</i>				
Dividends	--	(116,370)	--	(116,370)
Total transactions with owners	--	(116,370)	--	(116,370)
Balance at 30 September 2023	637,697	845,575	(70,237)	1,413,035

Consolidated Statement of Cash Flows

	Unaudited Dec '23 \$'000	Unaudited Dec '22 \$'000	Audited Sept '23 \$'000
Cash flows from operating activities			
Profit before taxation	39,684	35,478	175,164
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain)/loss on financial assets	(709)	(2,635)	(15,997)
Impairment loss on non-financial assets	--	--	54
Interest income	(66,585)	(63,319)	(261,626)
Interest expense	29,850	27,513	110,553
Interest on right of use assets	145	78	341
Depreciation	578	468	1,892
Depreciation for right of use assets	589	434	1,714
Amortisation	637	421	2,462
Gain on disposal of property and equipment	--	--	1
Loss on disposal of right of use assets	--	--	9
Loss on disposal of Intangible assets	--	9	--
Unrealised foreign exchange (gain)/loss	(4)	(1,709)	35
Unrealised (gain)/loss on financial assets	(25)	(5)	76
Cash flows from operating activities before changes in operating assets and liabilities	4,160	(3,267)	14,678
Net change in fair value through other comprehensive income financial assets	(40,109)	(26,820)	52,783
Net change in amortised cost financial assets	(154,009)	54,675	1,104
Net change in fair value through profit & loss assets	23	46	--
Net change in other assets	151,398	6,435	(130,828)
Net change in right of use assets	(17)	(145)	(3,030)
Net change in securities sold under repurchase agreements	16,754	(81,112)	(104,878)
Net change in creditors and accrued expenses	(70,412)	(39,091)	54,253
Net change in right of use liabilities	17	145	2,983
Net change in funds under management	(12)	9	(133)
Net change in borrowings	(4,625)	9,225	23,614
Cash (used in)/generated from operations	(96,832)	(79,900)	(89,454)
Interest received	44,516	49,264	253,862
Interest paid	(33,088)	(29,730)	(109,749)
Income taxes paid	(6,283)	(7,811)	(30,969)
Net cash flow from operating activities	(91,687)	(68,177)	23,690
Cash flows from investing activities			
Change in short term investment	--	(10)	--
Proceeds from disposal of property and equipment	--	--	--
Purchase of property and equipment	(690)	(58)	(3,814)
Purchase of Intangible Assets	(118)	--	(456)
Net cash flow used in investing activities	(808)	(68)	(4,270)
Cash flows from financing activities			
Repayment of principal on right of use assets	(466)	(511)	(2,053)
Repayment of loan from parent company	(22,548)	(1,782)	15,062
Ordinary dividend paid	(24,077)	--	(116,370)
Net cash flows used in financing activities	(47,091)	(2,293)	(103,361)
Net (decrease)/increase in cash and cash equivalents	(139,586)	(70,538)	(83,941)
Cash and cash equivalents at beginning of year	366,216	450,157	450,157
Cash and cash equivalents at end of the period/year	226,630	379,619	366,216

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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 three months’ period ended 31 December 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 2023.

4 Commitments

	Dec '23	Dec '22	Sept '23
	\$'000	\$'000	\$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	5,073	52	2,175

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.

	Dec '23	Dec '22	Sept '23
	\$'000	\$'000	\$'000
(a) Directors and key management personnel			
Statement of financial position:			
Securities sold under repurchase agreements	(1,843)	--	(2,352)
	(1,843)	--	(2,352)
Statement of income:			
Interest expense	(12)	(50)	(122)
Salaries and other short-term employee benefits	(1,556)	(1,490)	(7,194)
	(1,568)	(1,540)	(7,316)

(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 December 2023:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	24	1	15,857	4,510
Interest Expense	(2,884)	(1,546)	--	(2,787)
	(2,860)	(1,545)	15,875	1,723
Statement of Financial Position				
Assets:				
Cash and due from other banks	119,540	17,261	--	--
Other assets	--	68	--	--
Financial assets	--	--	1,722,084	205,817
Liabilities:				
Securities sold under repurchase agreements	--	(487,123)	--	(597,453)
Creditors and accrued expenses	(28,088)	(899)	--	--
Leases	(1,016)	--	--	--
Loan from parent company	(246,998)	--	--	--
	(156,562)	(470,690)	1,722,084	(391,636)

5 Related Party Transactions (cont'd)

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

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	63	1	15,619	2,055
Interest Expense	(2,551)	(1,071)	--	(2,689)
	(2,488)	(1,070)	15,619	634
Statement of financial position				
Assets:				
Cash and due from other banks	251,885	20,090	--	--
Other assets	--	44	--	--
Financial assets	--	--	1,464,077	193,204
Liabilities:				
Securities sold under repurchase agreements	--	(388,428)	--	(687,834)
Creditors and accrued expenses	(27,981)	(209)	--	--
Leases	(1,018)	--	--	--
Loan from parent	(252,758)	--	--	--
	(29,872)	(368,503)	1,464,077	(494,630)

The following related party transactions are included in the Statement of Income and Statement of financial position for the year ended September 2023:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	266	4	63,327	10,893
Interest Expense	(10,844)	(4,763)	--	(7,359)
	(10,578)	(4,759)	63,327	3,534
Statement of financial position				
Assets:				
Cash and due from other banks	190,642	16,902	--	--
Financial assets	--	--	1,553,931	206,075
Liabilities:				
Securities sold under repurchase agreements	--	(274,031)	--	(591,474)
Creditors and accrued expenses	(31,625)	(848)	--	--
Leases	(1,147)	--	--	--
Loan from parent	(272,090)	--	--	--
	(114,220)	(257,977)	1,553,931	(385,399)

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.