

First Citizens Investment Services Limited and its Subsidiaries

A Subsidiary of First Citizens Bank Limited

UNAUDITED INTERIM FINANCIALS FOR SIX MONTHS TO MARCH 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago dollars)



First Citizens

Consolidated Statement of Financial Position

	Unaudited Mar 2024 \$'000	Unaudited Mar 2023 \$'000	Audited Sept 2023 \$'000
ASSETS			
Cash and due from banks	368,085	331,965	368,689
Financial assets			
- Fair value through other comprehensive income	2,259,719	2,213,087	2,004,231
- Amortised cost	3,888,694	3,641,346	3,753,853
- Fair value through profit and loss	573	584	560
Intangible assets	5,034	7,243	6,079
Property and equipment	45,310	42,264	44,997
Right of use assets	4,797	3,678	5,270
Other assets	59,401	27,093	163,410
Deferred income tax asset	20,279	203	32,276
Tax recoverable	16,887	19,120	17,824
TOTAL ASSETS	6,668,779	6,286,583	6,397,189
LIABILITIES			
Borrowings	1,290,532	1,292,518	1,292,685
Funds under management	6,081	6,149	6,095
Securities sold under repurchase agreements	3,451,422	3,201,765	3,199,721
Creditors and accrued expenses	163,261	98,007	182,780
Loan from parent company	249,470	254,508	272,090
Lease liabilities	5,221	3,833	5,378
Deferred income tax liability	18,944	2,699	19,257
Tax payable	7,679	9,029	6,148
TOTAL LIABILITIES	5,192,610	4,868,508	4,984,154
SHAREHOLDER'S EQUITY			
Share capital	637,697	637,697	637,697
Retained earnings	879,753	809,884	845,575
Other reserves	(41,281)	(29,506)	(70,237)
TOTAL SHAREHOLDER'S EQUITY	1,476,169	1,418,075	1,413,035
TOTAL EQUITY AND LIABILITIES	6,668,779	6,286,583	6,397,189

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

On 23 April 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		Unaudited Six months ended		Audited Sep 2023
	Mar 2024 \$'000	Mar 2023 \$'000	Mar 2024 \$'000	Mar 2023 \$'000	Sep 2023 \$'000
Interest income	68,247	65,731	134,864	129,071	261,626
Interest expense	(28,686)	(26,843)	(58,536)	(54,356)	(110,553)
Net interest income	39,561	38,888	76,328	74,715	151,073
Fees and commissions	28,023	20,660	55,054	51,542	115,361
(Loss)/ gain on financial assets	(7,042)	542	(11,185)	(13,784)	(18,367)
Foreign exchange loss	(1,131)	(1,974)	(1,379)	(223)	(500)
Other income	13,197	16,374	13,456	16,509	806
Total net revenue	72,608	74,490	132,274	128,759	248,373
Impairment gain on financial assets	3,880	1,041	4,589	3,676	15,997
Impairment loss on non-financial assets	--	--	--	--	(54)
Administrative expenses	(11,373)	(10,313)	(22,551)	(20,715)	(43,646)
Other operating expenses	(13,577)	(13,606)	(23,090)	(24,630)	(45,506)
Profit before taxation	51,538	51,612	91,222	87,090	175,164
Taxation charge	(8,265)	(11,157)	(14,744)	(16,944)	(29,764)
Profit for the period/year	43,273	40,455	76,478	70,146	145,400

Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Unaudited Six months ended		Audited Sep 2023
	Mar 2024 \$'000	Mar 2023 \$'000	Mar 2024 \$'000	Mar 2023 \$'000	Sep 2023 \$'000
Profit for the period/year	43,273	40,455	76,478	70,146	145,400
Other comprehensive income:					
Items that will not be classified to profit or loss					
Net losses on investments in equity instruments designated at FVOCI	(1,697)	(59,020)	(10,253)	(75,477)	(90,407)
	(1,697)	(59,020)	(10,253)	(75,477)	(90,407)
Items that may be reclassified to profit or loss					
Net gains/(losses) on investments in debt instruments designated at FVOCI	(11,345)	13,812	39,082	57,422	31,621
Exchange differences on translation	170	(569)	166	--	--
	(11,175)	13,243	39,248	57,422	31,621
Total other comprehensive income/ (loss) for the period/year net of tax	(12,872)	(45,777)	28,996	(18,055)	(58,786)
Total comprehensive (loss)/income for the period/year	30,401	(5,322)	105,474	52,091	86,614

Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	Total Equity \$'000
Balance at 1 October 2023	637,697	845,575	(70,237)	1,413,035
Profit for the period	--	76,478	--	76,478
Adjustments to Retained Earnings	--	40	--	40
Other comprehensive loss	--	--	28,956	28,956
Total comprehensive income for the period	--	76,518	28,956	105,474
Transactions with owners:				
Dividends paid	--	(42,340)	--	(42,340)
Total transactions with owners	--	(42,340)	--	(42,340)
Balance at 31 March 2024	637,697	879,753	(41,281)	1,476,169
Balance at 1 October 2022	637,697	816,545	(11,451)	1,442,791
Profit for the Period	--	70,146	--	70,146
Other comprehensive loss	--	--	(18,055)	(18,055)
Total comprehensive loss for the period	--	70,146	(18,055)	52,091
Transactions with owners:				
Dividends paid	--	(76,807)	--	(76,807)
Total transactions with owners	--	(76,807)	--	(76,807)
Balance at 31 March 2023	637,697	809,884	(29,506)	1,418,075
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)
Transactions with owners:				
Dividends paid	--	(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 Mar 2024 \$'000	Unaudited Mar 2023 \$'000	Audited Sep 2023 \$'000
Cash flows from operating activities			
Profit before taxation	91,221	87,090	175,164
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain)/loss on financial assets	(4,589)	(3,676)	(15,997)
Impairment loss on non-financial assets	--	--	54
Interest income	(134,778)	(129,029)	(261,626)
Interest expense	58,536	54,356	110,553
Interest on right of use assets	183	153	341
Depreciation	1,338	942	1,892
Depreciation for right of use assets	1,016	862	1,714
Amortisation	1,272	842	2,462
Gain on disposal of property and equipment	--	--	1
Loss on disposal of right of use assets	--	9	9
Unrealised foreign exchange (gain)/loss	--	(54)	35
Unrealised (gain)/loss on financial assets	(24)	(11)	76
Cash flows from operating activities before changes in operating assets and liabilities	14,175	11,484	14,678
Net change in fair value through other comprehensive income financial assets	(205,747)	(99,956)	52,783
Net change in amortised cost financial assets	(148,862)	94,714	1,104
Net change in fair value through profit & loss assets	11	63	--
Net change in other assets	115,975	6,184	(130,828)
Net change in right of use assets	(17)	(404)	(3,030)
Net change in securities sold under repurchase agreements	251,827	(93,212)	(104,878)
Net change in creditors and accrued expenses	(19,518)	(31,189)	54,253
Net change in right of use liabilities	17	404	2,983
Net change in funds under management	(14)	(73)	(133)
Net change in borrowings	(4,689)	11,953	23,614
Cash inflows/(outflows) from operations	3,158	(100,032)	(89,454)
Interest received	132,616	129,247	253,862
Interest paid	(57,017)	(51,731)	(109,749)
Income taxes paid	(12,489)	(17,666)	(30,969)
Net cash (outflows)/ inflows from operating activities	(66,268)	(40,182)	23,690
Cash flows from investing activities			
Change in short term investment	--	--	--
Proceeds from disposal of property and equipment	--	--	--
Purchase of Intangible Assets	(226)	--	(456)
Purchase of property and equipment	(1650)	(130)	(3,814)
Net cash outflows from investing activities	(1,876)	(130)	(4,270)
Cash flows from financing activities			
Repayment of principal on right of use assets	(882)	(1,011)	(2,053)
Repayment of loan from parent company	(21,774)	(2,520)	15,062
Ordinary dividend paid	(42,340)	(76,808)	(116,370)
Net cash outflows from financing activities	(64,996)	(80,339)	(103,361)
Net (decrease)/increase in cash and cash equivalents	(604)	(120,651)	(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	365,612	329,506	366,216

First Citizens Investment Services Limited and its Subsidiaries

A Subsidiary of First Citizens Bank Limited

UNAUDITED INTERIM FINANCIALS FOR SIX MONTHS TO MARCH 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(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 2024, 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

	Mar 2024	Mar 2023	Sept 2023
	\$'000	\$'000	\$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts	4,002	5,942	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 (the Bank) which is a subsidiary of First Citizens Group Financial Holdings Limited (FCGFH), a subsidiary of First Citizens Holdings Limited (Holdings), 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 2024	Mar 2023	Sept 2023
	\$'000	\$'000	\$'000

(a) Directors and key management personnel

Statement of financial position:

Securities sold under repurchase agreements	(1,171)	(2,006)	(2,352)
	(1,171)	(2,006)	(2,352)

Statement of income:

Interest expense	(21)	(75)	(122)
Salaries and other short-term employee benefits	(4,395)	(4,092)	(7,194)
	(4,416)	(4,167)	(7,316)

(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 2024:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	110	2	35,385	5,785
Interest Expense	(5,390)	(3,441)	--	(2,787)
	(5,280)	(3,439)	35,385	2,998

Notes to the Consolidated Financial Statements (cont'd)

5 Related Party Transactions (cont'd)

Statement of Financial Position

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Assets:				
Cash and due from other banks	185,918	25,713	--	--
Other assets	--	34	--	--
Financial assets	--	--	1,684,585	203,349
Liabilities:				
Securities sold under repurchase agreements	--	(542,151)	--	(688,443)
Creditors and accrued expenses	(29,335)	(2,226)	--	--
Leases	(899)	--	--	--
Loan from parent company	(249,470)	--	--	--
	(93,786)	(518,630)	1,684,585	(485,094)

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	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	118	2	30,653	5,318
Interest Expenses	(5,201)	(2,339)	--	(2,153)
	(5,083)	(2,337)	30,653	3,165

Statement of financial position

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

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

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
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.