

First Citizens Investment Services and its Subsidiaries (A Subsidiary of First Citizens Bank Limited)

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED JUNE 30 2024

(Expressed in Trinidad and Tobago dollars)



First Citizens

Consolidated Statement of Financial Position

	Unaudited Jun 2024 \$'000	Unaudited Jun 2023 \$'000	Audited Sept 2023 \$'000
ASSETS			
Cash and due from banks	318,385	217,976	368,689
Financial assets			
- Fair value through other comprehensive income	2,262,415	2,146,474	2,004,231
- Amortised cost	3,873,907	3,659,318	3,753,853
- Fair value through profit and loss	550	576	560
Intangible assets	5,039	6,315	6,079
Property and equipment	44,705	41,943	44,997
Right of use assets	4,186	5,494	5,270
Other assets	32,585	19,641	163,410
Deferred income tax asset	22,626	7,186	32,276
Tax recoverable	16,682	21,553	17,824
TOTAL ASSETS	6,581,080	6,126,476	6,397,189
LIABILITIES			
Borrowings	1,296,668	1,293,996	1,292,685
Funds under management	6,077	6,097	6,095
Securities sold under repurchase agreements	3,422,466	2,999,350	3,199,721
Creditors and accrued expenses	104,396	151,451	182,780
Loan from parent company	245,249	256,172	272,090
Lease liabilities	4,643	5,627	5,378
Deferred income tax liability	18,924	1,508	19,257
Tax payable	6,858	5,258	6,148
TOTAL LIABILITIES	5,105,281	4,719,459	4,984,154
SHAREHOLDER'S EQUITY			
Share capital	637,697	637,697	637,697
Retained earnings	885,039	819,110	845,575
Other reserves	(46,937)	(49,790)	(70,237)
TOTAL SHAREHOLDER'S EQUITY	1,475,799	1,407,017	1,413,035
TOTAL EQUITY AND LIABILITIES	6,581,080	6,126,476	6,397,189

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

On 23 July 2024, the Board of Directors of First Citizens Investment Services Limited authorized these consolidated financial statements for issue.

Director  Director 

Consolidated Statement of Income

	Unaudited Three months ended		Unaudited Nine months ended		Audited Sep 2023
	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Sep 2023 \$'000
Interest income	69,377	65,934	204,196	195,005	261,626
Interest expense	(41,799)	(27,790)	(100,291)	(82,146)	(110,553)
Net interest income	27,578	38,144	103,905	112,859	151,073
Fees and commissions	24,777	20,093	79,816	71,635	115,361
(Loss)/ gain on financial assets	3,333	(5,371)	(7,852)	(19,155)	(18,367)
Foreign exchange (loss)/ gain	(1,090)	2	(2,469)	(221)	(500)
Other income	6,754	339	14,054	16,848	806
Total net revenue	61,352	53,207	187,454	181,966	248,373
Impairment gain on financial assets	1,298	2,454	5,887	6,130	15,997
Impairment loss on non-financial assets	--	--	--	--	(54)
Administrative expenses	(10,738)	(10,792)	(33,289)	(31,507)	(43,646)
Other operating expenses	(12,828)	(11,045)	(35,911)	(35,675)	(45,506)
Profit before taxation	39,084	33,824	124,141	120,914	175,164
Taxation charge	(3,834)	(2,347)	(18,578)	(19,291)	(29,764)
Profit for the period/year	35,250	31,477	105,563	101,623	145,400

Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Unaudited Nine months ended		Audited Sep 2023
	Jun 2024 \$'000	Jun 2023 \$'000	Jun 2024 \$'000	Jun 2023 \$'000	Sep 2023 \$'000
Profit for the period/year	35,250	31,477	105,563	101,623	145,400
Other comprehensive income:					
<i>Items that will not be classified to profit or loss</i>					
Net losses on investments in equity instruments designated at FVOCI	(1,966)	(20,094)	(12,218)	(95,571)	(90,407)
	(1,966)	(20,094)	(12,218)	(95,571)	(90,407)
<i>Items that may be reclassified to profit or loss</i>					
Net gains/(losses) on investments in debt instruments designated at FVOCI	(3,689)	(189)	35,518	57,232	31,621
Exchange differences on translation	--	--	166	--	--
	(3,689)	(189)	35,684	57,232	31,621
Total other comprehensive income/ (loss) for the period/year net of tax	(5,655)	(20,283)	23,466	(38,339)	(58,786)
Total comprehensive income for the period/year	29,595	11,194	129,029	63,284	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	--	105,563	--	105,563
Adjustments to Retained Earnings	--	40	--	40
Other comprehensive gain	--	--	23,300	23,300
Total comprehensive income for the period	--	105,603	23,300	128,903
<i>Transactions with owners:</i>				
Dividends paid	--	(66,139)	--	(66,139)
Total transactions with owners	--	(66,139)	--	(66,139)
Balance at 30 June 2024	637,697	885,039	(46,937)	1,475,799
Balance at 1 October 2022	637,697	816,545	(11,451)	1,442,791
Profit for the Period	--	101,623	--	101,623
Other comprehensive loss	--	--	(38,339)	(38,339)
Total comprehensive loss for the period	--	101,623	(38,339)	63,284
<i>Transactions with owners:</i>				
Dividends paid	--	(99,058)	--	(99,058)
Total transactions with owners	--	(99,058)	--	(99,058)
Balance at 30 June 2023	637,697	819,110	(49,790)	1,407,017
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 Jun 2024 \$'000	Unaudited Jun 2023 \$'000	Audited Sep 2023 \$'000
Cash flows from operating activities			
Profit before taxation	124,141	120,914	175,164
Adjustments to reconcile profit to net cash from operating activities:			
Impairment (gain) on financial assets	(5,887)	(6,130)	(15,997)
Impairment loss on non-financial assets	--	--	54
Interest income	(204,055)	(194,940)	(261,626)
Interest expense	100,291	82,146	110,553
Interest on right of use assets	299	257	341
Depreciation	2,040	1,415	1,892
Depreciation for right of use assets	1,416	1,289	1,714
Amortisation	1,347	1,826	2,462
(Gain)/ loss on disposal of right of use assets	(14)	9	10
Unrealised foreign exchange (gain)/loss	--	(80)	35
Unrealised (gain)/loss on financial assets	(34)	(10)	76
Cash flows from operating activities before changes in operating assets and liabilities	19,544	6,696	14,678
Net change in fair value through other comprehensive income financial assets	(229,646)	(49,568)	52,783
Net change in amortised cost financial assets	(105,657)	86,557	1,104
Net change in fair value through profit & loss assets	44	69	--
Net change in other assets	140,443	6,887	(130,828)
Net change in right of use assets	207	(2,648)	(3,030)
Net change in securities sold under repurchase agreements	191,072	(298,104)	(104,878)
Net change in creditors and accrued expenses	(78,384)	22,393	54,253
Net change in right of use liabilities	(207)	2,601	2,983
Net change in funds under management	(18)	(124)	(133)
Net change in borrowings	(3,682)	17,850	23,614
Cash (used in)/generated from operations	(66,284)	(207,391)	(89,454)
Interest received	190,315	181,743	253,862
Interest paid	(62,890)	(78,407)	(109,749)
Income taxes paid	(16,907)	(25,757)	(30,969)
Net cash flow from operating activities	(44,234)	(129,812)	23,690
Cash flows from investing activities			
Change in short term investment	--	(15)	--
Net change in short term investments	(19)	--	--
Purchase of Intangible Assets	(306)	--	(456)
Purchase of property and equipment	1,748	(282)	(3,814)
Purchase of right of use assets	--	(56)	--
Net cash flow used in investing activities	(2,073)	(353)	(4,270)
Cash flows from financing activities			
Repayment of principal on right of use assets	(1,352)	(1,518)	(2,053)
Repayment of loan from parent company	(24,994)	(3,913)	15,062
Ordinary dividend paid	(66,139)	(99,058)	(116,370)
Net cash flow used in financing activities	(92,485)	(104,489)	(103,361)
Net (decrease)/increase in cash and cash equivalents	(50,324)	(234,654)	(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	315,892	215,503	366,216



Notes to the Consolidated Financial Statements

1 Incorporation and Principal Activity

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.

As a part of the corporate restructuring of First Citizens Group, and in accordance with Legal Notice 102 dated June 06th 2024, with effect from October 01, 2024 all the shares owned by First Citizens Bank Limited in FCIS will become vested in First Citizens Group Financial Holdings Limited (FCGFH), whereupon FCIS will become a fully owned subsidiary of FCGFH.

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 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

	Jun 2024	Jun 2023	Sept 2023
	\$'000	\$'000	\$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts	3,532	5,744	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.

	Jun 2024	Jun 2023	Sept 2023
	\$'000	\$'000	\$'000

(a) Directors and key management personnel

Statement of financial position:

Securities sold under repurchase agreements	(1,217)	(2,352)	(2,352)
	<u>(1,217)</u>	<u>(2,352)</u>	<u>(2,352)</u>

Statement of income:

Interest expense	(28)	(109)	(122)
Salaries and other short-term employee benefits	(5,941)	(5,638)	(7,194)
	<u>(5,969)</u>	<u>(5,747)</u>	<u>(7,316)</u>

(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 2024:

Statement of Income

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	169	2	52,485	8,490
Interest Expense	(8,605)	(5,567)	--	(10,594)
	<u>(8,436)</u>	<u>(5,565)</u>	<u>52,485</u>	<u>(2,104)</u>

Notes to the Consolidated Financial Statements (cont'd)

5 Related Party Transactions (cont'd)

(b) Related Companies (cont'd)

Statement of Financial Position

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Assets:				
Cash and due from other banks	186,863	21,380	--	--
Other assets	--	34	--	--
Financial assets	--	--	1,667,883	201,241
Liabilities:				
Securities sold under repurchase agreements	--	(558,698)	--	(617,014)
Creditors and accrued expenses	(29,903)	(2,238)	--	--
Leases	(581)	--	--	--
Loan from parent company	(245,249)	--	--	--
	<u>(88,870)</u>	<u>(539,522)</u>	<u>1,667,883</u>	<u>(415,773)</u>

The following related party transactions are included in the Statement of Income and Statement of financial position for the nine months ended June 2023:

Statement of Income

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

Statement of financial position

Assets:				
Cash and due from other banks	118,058	13,194	--	--
Other assets	--	65	--	--
Financial assets	--	--	1,482,306	189,927
Liabilities:				
Securities sold under repurchase agreements	--	(369,692)	--	(511,797)
Creditors and accrued expenses	(28,788)	(860)	--	--
Leases	(1,019)	--	--	--
Loan from parent	(256,172)	--	--	--
	<u>(167,921)</u>	<u>(357,293)</u>	<u>1,482,306</u>	<u>(321,870)</u>

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)
	<u>(10,578)</u>	<u>(4,759)</u>	<u>63,327</u>	<u>3,534</u>

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)	--	--	--
	<u>(114,220)</u>	<u>(257,977)</u>	<u>1,553,931</u>	<u>(385,399)</u>

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.