





**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 Group operates primarily in Trinidad and Tobago and the Eastern Caribbean region.

Effective October 2021, the Bank is a subsidiary of First Citizens Group Financial Holdings Limited (FCGFH). FCGFH is a company owned by First Citizens Holdings, a company owned by the Government of the Republic of Trinidad and Tobago (GORTT), and its registered office is located at 9 Queen's Park East, Port of Spain.

First Citizens Holdings has 64.43% controlling interest of FCGFH.

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 (formerly First Citizens Asset Management 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:

Entity	Nature of operations	Country of incorporation	Ownership interest
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%

**2 Basis of preparation**

The interim unconsolidated financial statement for the three months period ended 31 December 2021, 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 2021.

**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 2021.

**4 Commitments**

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts	147,747	95,749	154,637
<b>Credit Commitments</b>			
Commitments for loans approved not yet disbursed:	94,700	328,570	362,308

**5 Related Party Transactions**

**(a) Directors and key management personnel**

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
Salaries and other short-term employee benefits	8,581	8,340	40,126
Loans and receivables	8,964	8,001	9,000
Interest income	87	98	332
Customers' Deposits	18,025	19,613	19,615
Interest expense	59	52	234

**(b) Transactions and balances with related parties**

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
Due from subsidiaries	48,451	51,077	52,233
Due to subsidiaries	(8,689)	(20,765)	(20,179)
Due from Parent	137	185	114
Customers' deposits	(511,499)	(708,696)	(651,583)
Loan note receivable	646,580	807,887	831,173
Loan note receivable - interest income	928	5,762	22,909
Long-term notes payable	58,000	58,000	58,000
Other income	710	699	2,800
Other expense	49	195	379

**Notes to the Condensed Consolidated Interim Financial Statements (cont'd)**

**6 Related Party Transactions (continued)**

**(c) Pension Plan**

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
Employer's contribution	14,351	15,802	58,236

**(d) 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:

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
<b>Assets</b>			
Loan notes with Taurus Services Limited	68,486	136,971	68,486
<b>Liabilities</b>			
Due to GORTT	22,761	22,862	22,753
<b>Interest Income</b>			
Loan notes	1,964	3,970	13,777

**(e) 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:

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
Loans and receivables	3,561,807	4,340,028	3,805,081
Interest income	9,870	11,733	241,610
Customers' deposits	10,226,797	11,825,537	10,312,881
Interest expense	3,514	8,194	22,012
Financial assets - Hold to collect and sell	9,377,069	8,230,359	7,067,288
Financial assets - Hold to collect	547,167	548,891	541,434
Investment income	75,381	87,522	353,200

**(f) Small & Medium Enterprises (SME) Stimulus Loan**

The (COVID - 19) Small & Medium Enterprises (SME) Stimulus Loan is an initiative the GORTT embarked upon, 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.

	December 2021 \$'000	December 2020 \$'000	September 2021 \$'000
SME Loans	15,554	12,875	14,125
Interest income	107	92	405

**7 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.

**8 Segment Reporting**

The segmental information provided to the Executive Management for the reportable segments are as follows:

	Retail Banking \$'000	Corporate Banking \$'000	Treasury & Investments Banking \$'000	Group functions \$'000	Total \$'000
<b>As at December 2021</b>					
Net interest Income	122,930	146,544	18,613	189	288,276
Operating profit	82,907	141,992	18,705	(66,730)	176,874
Total Assets	7,115,877	13,621,451	16,147,923	672,663	37,557,914

	Retail Banking \$'000	Corporate Banking \$'000	Treasury & Investments Banking \$'000	Group functions \$'000	Total \$'000
<b>As at December 2020</b>					
Net interest Income	122,649	159,904	24,319	202	307,074
Operating profit	57,725	137,995	27,699	(61,541)	161,878
Total Assets	7,116,771	13,559,199	16,974,321	554,953	38,205,244

	Retail Banking \$'000	Corporate Banking \$'000	Treasury & Investments Banking \$'000	Group functions \$'000	Total \$'000
<b>As at September 2021</b>					
Net interest Income	502,551	612,374	81,495	795	1,197,215
Operating profit	247,539	595,914	124,373	(257,276)	710,550
Total Assets	7,019,033	12,224,211	17,361,963	734,596	37,339,803