

# First Citizens Investment Services Limited and its Subsidiaries

## A Subsidiary of First Citizens Bank Limited

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2022

(Expressed in Trinidad and Tobago dollars)



First Citizens

### Consolidated Statement of Financial Position

	Unaudited Mar 2022 \$'000	Unaudited Mar 2021 \$'000	Audited Sep 2021 \$'000
<b>ASSETS</b>			
Cash and due from banks	363,294	259,145	265,085
Financial assets			
- Fair value through other comprehensive income	2,788,261	2,977,229	2,807,717
- Amortised cost	3,844,439	4,068,507	3,939,450
- Fair value through profit and loss	600	540	607
Intangible assets	8,192	7,985	8,790
Property and equipment	43,182	55,426	44,983
Right of use assets	2,184	1,587	1,269
Other assets	49,493	32,005	41,414
Deferred income tax asset	1,084	--	998
Tax recoverable	18,472	28,056	19,977
<b>TOTAL ASSETS</b>	<b>7,119,201</b>	<b>7,430,480</b>	<b>7,130,290</b>
<b>LIABILITIES</b>			
Borrowings	1,691,332	1,959,814	1,518,109
Funds under management	6,248	30,663	6,420
Securities sold under repurchase agreements	3,534,980	3,437,675	3,356,300
Creditors and accrued expenses	117,342	110,233	109,342
Loan from parent company	259,676	264,948	362,740
Lease liabilities	2,288	1,561	1,211
Deferred income tax liability	44,348	97,169	114,225
Tax payable	23,638	26,182	23,482
<b>TOTAL LIABILITIES</b>	<b>5,679,852</b>	<b>5,928,245</b>	<b>5,491,829</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	637,697	637,697	637,697
Retained earnings	745,254	695,567	775,911
Fair value reserves	56,398	168,971	224,853
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>1,439,349</b>	<b>1,502,235</b>	<b>1,638,461</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,119,201</b>	<b>7,430,480</b>	<b>7,130,290</b>

Director

Director

### Consolidated Statement of Income

	Unaudited Three months ended		Unaudited Six months ended		Audited
	Mar 2022 \$'000	Mar 2021 \$'000	Mar 2022 \$'000	Mar 2021 \$'000	Sep 2021 \$'000
Interest income	71,920	75,399	143,790	153,260	302,326
Interest expense	(30,687)	(36,167)	(62,102)	(74,353)	(138,434)
<b>Net interest income</b>	<b>41,233</b>	<b>39,232</b>	<b>81,688</b>	<b>78,907</b>	<b>163,892</b>
Fees and commissions	24,350	22,689	53,572	51,264	107,057
Gain on financial assets	11,278	8,027	6,095	4,596	15,815
Foreign exchange loss	(1,254)	(6,538)	(91)	(6,815)	(2,009)
Other income	200	2,617	316	2,740	12,826
<b>Total net revenue</b>	<b>75,807</b>	<b>66,027</b>	<b>141,580</b>	<b>130,692</b>	<b>297,581</b>
Impairment gain on financial assets	3,174	18,126	5,571	21,564	13,151
Impairment loss on non-financial assets	--	--	--	--	(6,554)
Administrative expenses	(9,911)	(9,629)	(19,945)	(19,303)	(39,589)
Other operating expenses	(11,474)	(11,379)	(23,409)	(22,278)	(49,698)
<b>Profit before taxation</b>	<b>57,596</b>	<b>63,145</b>	<b>103,797</b>	<b>110,675</b>	<b>214,891</b>
Taxation charge	(11,341)	(7,131)	(23,311)	(17,785)	(42,062)
<b>Profit for the period/year</b>	<b>46,255</b>	<b>56,014</b>	<b>80,486</b>	<b>92,890</b>	<b>172,829</b>

### Consolidated Statement of Comprehensive Income

	Unaudited Three months ended		Unaudited Six months ended		Audited
	Mar 2022 \$'000	Mar 2021 \$'000	Mar 2022 \$'000	Mar 2021 \$'000	Sep 2021 \$'000
<b>Profit for the period/year</b>	<b>46,255</b>	<b>56,014</b>	<b>80,486</b>	<b>92,890</b>	<b>172,829</b>
<b>Other comprehensive income:</b>					
Items that will not be classified to profit or loss					
Revaluation of property and equipment	--	--	--	--	(403)
Items that may be reclassified to profit or loss					
Net (losses)/gains on investments in debt instruments designated at FVOCI	(117,425)	(64,823)	(168,253)	(8,643)	47,756
Net losses on financial assets measured at amortised cost	(100)	(163)	(205)	(380)	(591)
Exchange differences on translation	(175)	(97)	3	(97)	--
	<b>(117,700)</b>	<b>(65,083)</b>	<b>(168,455)</b>	<b>(9,120)</b>	<b>47,165</b>
Total other comprehensive (loss)/income for the period/year net of tax	<b>(117,700)</b>	<b>(65,083)</b>	<b>(168,455)</b>	<b>(9,120)</b>	<b>46,762</b>
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(71,445)</b>	<b>(9,069)</b>	<b>(87,969)</b>	<b>83,770</b>	<b>219,591</b>

### Consolidated Statement of Changes in Equity

	Share Capital \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Total Equity \$'000
<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	--	80,486	--	80,486
Other comprehensive loss	--	--	(168,455)	(168,455)
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>80,486</b>	<b>(168,455)</b>	<b>(87,969)</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 31 March 2022</b>	<b>637,697</b>	<b>745,254</b>	<b>56,398</b>	<b>1,439,349</b>
<b>Balance at 1 October 2020</b>	<b>637,697</b>	<b>681,099</b>	<b>178,091</b>	<b>1,496,887</b>
Less: Prior year adjustments	--	(405)	--	(405)
<b>Adjusted balance at 1 October 2020</b>	<b>637,697</b>	<b>680,694</b>	<b>178,091</b>	<b>1,496,482</b>
Profit for the Period	--	92,890	--	92,890
Other comprehensive income	--	--	(9,120)	(9,120)
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>92,890</b>	<b>(9,120)</b>	<b>83,770</b>
Transactions with owners:				
Dividends paid	--	(78,017)	--	(78,017)
Total transactions with owners	--	(78,017)	--	(78,017)
<b>Balance at 31 March 2021</b>	<b>637,697</b>	<b>695,567</b>	<b>168,971</b>	<b>1,502,235</b>
<b>Balance at 1 October 2020</b>	<b>637,697</b>	<b>681,099</b>	<b>178,091</b>	<b>1,496,887</b>
Profit for the year	--	172,829	--	172,829
Other comprehensive income	--	--	46,762	46,762
<b>Total comprehensive income for the year</b>	<b>--</b>	<b>172,829</b>	<b>46,762</b>	<b>219,591</b>
Transactions with owners:				
Dividends	--	(78,017)	--	(78,017)
<b>Total transactions with owners</b>	<b>--</b>	<b>(78,017)</b>	<b>--</b>	<b>(78,017)</b>
<b>Balance at 30 September 2021</b>	<b>637,697</b>	<b>775,911</b>	<b>224,853</b>	<b>1,638,461</b>

### Consolidated Statement of Cash Flows

	Unaudited Mar 2022 \$'000	Unaudited Mar 2021 \$'000	Audited Sep 2021 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation	103,797	110,675	214,891
Adjustments to reconcile profit to net cash from operating activities:			
Impairment gain on financial assets	(5,571)	(21,564)	(13,151)
Impairment loss on non-financial assets	--	--	6,554
Interest income	(143,747)	(153,208)	(302,325)
Interest received	143,994	157,381	308,247
Interest expense	62,102	74,353	138,434
Interest paid	(64,402)	(59,748)	(148,926)
Interest on right of use assets	164	31	57
Repayment of principal on right of use assets	(764)	(375)	(751)
Depreciation	851	1,465	5,722
Depreciation for right of use assets	764	318	636
Amortisation	841	--	984
Unrealised foreign exchange loss	74	5,947	96
Gain on disposal of property and equipment	--	(23)	(19)
Fair Value (gain)/loss on financial assets	(20)	(39)	21
Income taxes paid	(21,278)	(20,507)	(44,853)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>76,805</b>	<b>94,706</b>	<b>165,617</b>
Net change in FVOCI financial assets	(146,075)	228,202	455,213
Net change in amortised cost financial assets	97,550	29,738	146,396
Net change in fair value through profit & loss	28	(1)	(55)
Net change in other assets	(4,902)	64,190	(14,707)
Net change in securities sold under repurchase agreements	180,902	(473,012)	(526,142)
Net change in creditors and accrued expenses	(62,901)	(77,052)	22,245
Net change in right of use liabilities	(1,061)	344	--
Net change in other funding instruments	(172)	2,426	(21,816)
Net change in borrowings	173,223	(3,493)	(445,198)
<b>Net cash flow from operating activities</b>	<b>313,397</b>	<b>(133,952)</b>	<b>(218,447)</b>
<b>Cash flows from investing activities</b>			
Net change in short term investment	--	9	(76)
Proceeds from disposal of financial assets	--	--	272
Proceeds from disposal of intangible assets	1,370	--	--
Proceeds from disposal of property, plant and equipment	--	239	--
Purchase of intangible assets	(1,613)	(1,556)	(5,459)
Purchase of property and equipment	(737)	(858)	(1,120)
<b>Net cash flow used in investing activities</b>	<b>(980)</b>	<b>(2,166)</b>	<b>(6,383)</b>
<b>Cash flows from financing activities</b>			
(Repayment)/receipt of loan from parent company	(103,065)	(3,497)	94,295
Ordinary dividend paid	(111,143)	(78,017)	(78,017)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(214,208)</b>	<b>(81,514)</b>	<b>16,278</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>98,209</b>	<b>(217,632)</b>	<b>(208,552)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>262,641</b>	<b>471,193</b>	<b>471,193</b>
<b>Cash and cash equivalents at end of the period/year</b>	<b>360,850</b>	<b>253,561</b>	<b>262,641</b>

# First Citizens Investment Services Limited and its Subsidiaries

## A Subsidiary of First Citizens Bank Limited

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2022

(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 1995 of the Republic of Trinidad and Tobago.

Effective 2 February 2009, First Citizens Bank Limited (the Bank) assumed control of the Group. The Bank formally acquired 100% ownership of the Company on 22 May 2009. The Bank is a subsidiary of First Citizens Holdings Limited (the First Citizens Group), a company with a 64.43% controlling interest in the Bank and which 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 shares of First Citizens Investment Services (Barbados) Limited were fully redeemed by the Group on 30 June 2019. The operations of that company became a branch of First Citizens Investment Services Limited effective 1 July 2019.

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 Investment Services (Barbados) Limited;
- First Citizens Brokerage and Advisory Services Limited;
- Caribbean Money Market Brokers (Trincity) Limited
- FCIS Nominees Limited; and
- First Citizens Portfolio Investment and Management Services Limited

#### 2 Basis of preparation

The Interim consolidated financial statement for the six months' period ended 31 March 2022, 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 2021.

#### 4 Commitments

	Mar 2022	Mar 2021	Sept 2021
	\$'000	\$'000	\$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts:	7,164	38,430	2,635

#### 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.

	Mar 2022	Mar 2021	Sept 2021
	\$'000	\$'000	\$'000

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

###### Statement of financial position:

Loan and receivable	--	--	--
Securities sold under repurchase agreements	(6,846)	(6,853)	(6,830)
	<b>(6,846)</b>	<b>(6,853)</b>	<b>(6,830)</b>

###### Statement of income:

Interest income	--	--	--
Interest expense	(86)	(34)	(15)
Salaries and other short-term employee benefits	(3,739)	(3,203)	(5,859)
	<b>(3,825)</b>	<b>(3,237)</b>	<b>(5,874)</b>

##### (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 2022:

Statement of Income	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	117	1	32,223	6,368
Interest Expense	--	(889)	--	(4,608)
	<b>117</b>	<b>(888)</b>	<b>32,223</b>	<b>1,760</b>

### Notes to the Consolidated Financial Statements (cont'd)

#### Statement of Financial Position

##### Assets:

Cash and due from other banks	219,717	34,307	--	--
Other assets	--	--	--	--
Financial assets	194	--	1,366,595	229,746

##### Liabilities:

Securities sold under repurchase agreements	--	(431,017)	--	(810,800)
Creditors and accrued expenses	(31,316)	(2,293)	--	--
Loan from parent company	(259,676)	--	--	--

**(71,081) (399,003) 1,366,595 (581,054)**

The following related party transactions are included in the Statement of Income and Statement of financial position for the six months ended March 2021:

#### Statement of Income

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	306	2	31,213	8,949
Interest Expense	(5,479)	(2,795)	--	(7,873)
	<b>(5,173)</b>	<b>(2,793)</b>	<b>31,213</b>	<b>1,076</b>

#### Statement of financial position

##### Assets:

Cash and due from other banks	130,619	20,748	--	--
Other assets	--	2	--	--
Financial assets	195	--	1,581,791	318,082

##### Liabilities:

Securities sold under repurchase agreements	--	(371,877)	--	(695,705)
Creditors and accrued expenses	(24,287)	(1,389)	--	--
Loan from parent	(264,948)	--	--	--

**(158,421) (352,516) 1,581,791 (377,623)**

The following related party transactions are included in the Statement of Income and Statement of financial position for the year ended September 2021:

#### Statement of Income

	Parent	Related companies	GORTT	State-owned Enterprises
	\$'000	\$'000	\$'000	\$'000
Interest Income	265	15	63,716	13,520
Interest Expense	(10,755)	(4,380)	--	(13,429)
	<b>(10,490)</b>	<b>(4,365)</b>	<b>63,716</b>	<b>91</b>

#### Statement of financial position

##### Assets:

Cash and due from other banks	125,545	14,315	--	--
Other assets	--	--	--	--
Financial assets	195	--	1,572,213	233,495

##### Liabilities:

Securities sold under repurchase agreements	--	(370,571)	--	(674,213)
Creditors and accrued expenses	(26,034)	(974)	--	--
Loan from parent	(362,740)	--	--	--

**(263,034) (357,230) 1,572,213 (440,718)**

#### 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.