

First Citizens Bank Limited

(A Subsidiary of First Citizens Group Financial Holdings Limited)



First Citizens

UNAUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 JUNE 2022

(Expressed in Trinidad and Tobago dollars)

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	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 nine months period ended 30 June 2022, 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

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
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Capital Commitments

Capital expenditure approved by the Directors but not provided for in these accounts

	161,613	143,361	154,637
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Credit Commitments

Commitments for loans approved not yet disbursed

	329,248	382,160	362,308
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5 Related Party Transactions

(a) Directors and key management personnel

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
Salaries and other short-term employee benefits	35,911	32,364	40,126
Loans and receivables	10,518	9,299	9,000
Interest income	322	283	332
Customers' Deposits	26,000	19,234	19,615
Interest expense	195	170	234

(b) Transactions and balances with related parties

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
Due from subsidiaries	34,092	59,220	52,233
Due to subsidiaries	(8,413)	(15,929)	(20,179)
Due from Parent	609	64	114
Customers' deposits	(555,207)	(530,967)	(651,583)
Loan note receivable	619,766	784,491	831,173
Loan note receivable - interest income	14,981	17,084	22,909
Long-term notes payable	58,000	58,000	58,000
Other income	2,115	2,101	2,800
Other expense	140	317	379

(c) Pension Plan

Employer's contribution	43,055	47,406	58,236
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(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:

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
Assets			
Loan notes with Taurus Services Limited	34,242	102,728	68,486
Liabilities			
Due to GORTT	26,568	22,756	22,753
Interest Income			
Loan notes	4,909	10,800	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:

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
Loans to customers	3,166,542	4,214,386	3,805,081
Interest income	145,390	200,217	241,610
Customers' deposits	10,010,711	10,503,406	10,312,881
Interest expense	11,301	17,509	22,012
Investments	8,575,146	8,983,229	7,608,722
Investment income	261,470	268,070	353,200

(f) 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.

	June 2022 \$'000	June 2021 \$'000	September 2021 \$'000
SME Loans	47,709	14,125	14,125
Interest income	514	300	405

6 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.

7 Segment Reporting

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

Period ended	Retail Banking \$'000	Corporate Banking \$'000	Treasury & Investment Management \$'000	Group Functions \$'000	Total \$'000
30 June 2022					
Total Net Revenue	594,142	428,026	311,719	(5,113)	1,328,774
Operating Profit	217,147	452,194	187,752	(213,153)	643,940
Total Assets	7,102,421	1,838,069	16,722,619	747,350	36,410,459
30 June 2021					
Total Net Revenue	595,219	471,415	267,675	3,957	1,338,266
Operating Profit	179,814	355,545	177,566	(158,046)	554,879
Total Assets	7,111,713	12,285,020	17,748,172	571,284	37,716,189
30 September 2021					
Total Net Revenue	790,494	602,080	305,697	6,788	1,705,059
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