

First Citizens Bank Limited And Its Subsidiaries
(A Subsidiary of First Citizens Holdings Limited)

Unaudited Condensed Consolidated Financial Statements
(Expressed in Trinidad and Tobago dollars)

Nine Months Ended June 30, 2021

First Citizens Bank Limited and its Subsidiaries

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First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For the Nine Months period ended June 30, 2021

Chairman's Report

We are pleased to report that the First Citizens Group concluded a profitable quarter as at June 30, 2021. This third quarter yielded a Profit before Tax of \$243.2 million, bringing the year to date Profit before Tax for the nine month period to \$683.3 million. Profit after Tax for the current nine month period amounted to \$487.4 million, which represents an increase of 4.4% when compared to June 2020, but represents a decline relative to Pre-COVID 19 levels when compared to Profit After Tax of \$553.04 million at June 2019. The increase of 2021 relative to 2020 is substantially due to a reduction in impairment expenses along with a focus on controlling our operating expenses, despite increased costs associated with enhanced COVID-19 protection measures. At June 30, 2021 the Group's total assets stood at \$46.8 billion, a minor decrease of 1.3% when compared to September 2020.

Our earnings per share increased by nine (9) cents to \$1.93 for the nine month period ended June 30, 2021, a credible performance within the COVID-19 context. Accordingly, the Board has declared an interim dividend of 37 cents per ordinary share. Dividends will be paid on August 27, 2021 to all shareholders on record as at August 12, 2021.

First Citizens remains focused on maintaining our stability and is committed to partnering with our various stakeholders in its efforts to mitigate the effects of the COVID-19 pandemic and its impact on our communities and operating environment. The current vaccination drive throughout the region provides the impetus needed to foster a safer environment for our staff and customers which we hope will ultimately lead to increased business confidence. The Group remains pleased to continue to do its part by actively encouraging and supporting the vaccination drive and reinforcing compliance with the COVID-19 safety protocols.

In the midst of these challenging circumstances, I take this opportunity to express my sincere appreciation to all our customers, our resilient staff, my fellow directors and all other stakeholders, for their invaluable contribution to the continuing success of the First Citizens Group.

Anthony Isidore Smart
Chairman
July 26, 2021

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
AS AT JUNE 30 2021

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(stated in Trinidad and Tobago Dollars)

	Unaudited June 2021 \$'000	Unaudited June 2020 \$'000	Audited Sep-2020 \$'000
ASSETS			
Cash and Statutory Deposits	10,344,533	8,026,027	10,097,285
Financial Assets			
- Investments	16,426,898	17,467,499	16,464,240
- Loans and receivables less allowance for loan losses:			
Loans to customers	18,262,857	19,340,622	19,040,472
Loans notes	110,552	184,249	147,399
Other assets	578,211	637,696	569,818
Investment in joint ventures & associates	232,093	201,511	206,464
Property, plant and equipment	657,472	579,745	696,161
Intangible asset	225,532	218,613	223,859
TOTAL ASSETS	46,838,148	46,655,962	47,445,698
LIABILITIES			
Customers' deposits and other funding instruments	32,998,636	32,623,657	33,143,099
Due to other banks	1,705,436	2,221,425	2,011,616
Creditors and accrued expenses	858,275	853,542	954,537
Lease liabilities	88,429	--	110,576
Defined benefit liability	122,377	21,292	121,263
Debt securities in issue	3,351,169	3,621,169	3,625,194
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	39,182,322	39,399,085	40,024,285
SHAREHOLDERS' EQUITY			
Share capital	458,557	458,557	458,557
Statutory reserve	1,241,412	1,241,132	1,241,412
Fair value reserve	1,128,225	1,034,431	1,110,629
Retained earnings	4,827,632	4,522,757	4,610,815
SHAREHOLDERS' EQUITY	7,655,826	7,256,877	7,421,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	46,838,148	46,655,962	47,445,698

On July 26, 2021, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director Anthony Isidore Smart

Director 

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30 2021

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
(stated in Trinidad and Tobago Dollars)

		Unaudited		Unaudited		Audited
		Three months ended		Nine months ended		Sep-2020
	Note	June 2021	June 2020	June 2021	June 2020	Sep-2020
		\$'000	\$'000	\$'000	\$'000	\$'000
Net interest income		373,675	397,791	1,133,281	1,254,061	1,626,696
Other income		177,181	133,326	485,084	456,650	607,952
Total net income		550,856	531,117	1,618,365	1,710,711	2,234,648
Impairment expenses net recoveries	5	(13,325)	(159,841)	(63,721)	(187,141)	(213,287)
Expenses		(298,902)	(300,437)	(886,440)	(883,708)	(1,209,013)
Operating profit		238,629	70,839	668,204	639,862	812,348
Share of profit in associates and joint venture		4,566	4,274	15,117	14,592	19,297
Profit before taxation		243,195	75,113	683,321	654,454	831,645
Taxation		(63,868)	(12,888)	(195,893)	(187,865)	(224,779)
Profit after taxation		179,327	62,225	487,428	466,589	606,866
Earnings Per Share						
Basic				\$1.93	\$1.84	\$2.40
Weighted Average Number of Shares						
Basic				251,354	251,354	251,354

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES

UNAUDITED FINANCIAL STATEMENTS

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED JUNE 30 2021
(stated in Trinidad and Tobago Dollars)**

	Unaudited		Unaudited		Audited
	Three months ended		Nine months ended		
	June 21	June 20	June 21	June 20	Sep-20
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit after taxation	179,327	62,225	487,428	466,589	606,866
Other comprehensive income:					
Items that will not be classified to profit or loss					
Items reclassified to retained earnings	--	--	--	--	4,713
Remeasurement of defined benefit liability	--	--	--	--	(68,275)
Net gains on investments in equity instruments designated at FVOCI	8,251	16,224	12,420	11,891	10,663
Revaluation of property, plant and equipment net of tax	--	--	--	--	5,016
	<u>8,251</u>	<u>16,224</u>	<u>12,420</u>	<u>11,891</u>	<u>(47,883)</u>
Items may be classified to profit or loss					
Exchange difference on translation	2,926	7,274	(3,010)	125	6,103
Reclassified to profit or loss on disposal	(44,865)	(5,424)	(75,631)	(15,163)	(18,941)
Amortization of losses on hold to collect assets	(104)	(504)	(484)	(1,522)	(4,420)
Net (losses) / gains on financial assets measured at FVOCI	<u>(2,430)</u>	<u>132,620</u>	<u>84,301</u>	<u>(57,030)</u>	<u>84,353</u>
	(44,473)	133,966	5,176	(73,590)	67,095
Total other comprehensive income	(36,222)	150,190	17,596	(61,699)	19,212
Total comprehensive income	143,105	212,415	505,024	404,890	626,078

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(stated in Trinidad and Tobago Dollars)

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at October 1 2020	458,557	1,241,412	1,110,629	4,610,815	7,421,413
Total comprehensive (loss) / income	--	--	17,596	487,428	505,024
Dividends	--	--	--	(270,611)	(270,611)
Balance at June 30 2021	458,557	1,241,412	1,128,225	4,827,632	7,655,826
Balance at October 1 2019	458,557	884,689	1,096,130	4,712,675	7,152,051
Total comprehensive (loss) / income	--	--	(61,699)	466,589	404,890
Transfer to statutory reserve	--	356,443	--	(356,443)	--
Dividends	--	--	--	(300,064)	(300,064)
Balance at June 30 2020	458,557	1,241,132	1,034,431	4,522,757	7,256,877
Balance at October 1 2019	458,557	884,689	1,096,130	4,712,675	7,152,051
Change on initial adoption of IFRS 16	--	--	--	(7,537)	(7,537)
Restated Balance as at October 1 2019	458,557	884,689	1,096,130	4,705,138	7,144,514
Total Comprehensive income	--	--	--	606,866	606,866
Other Comprehensive income	--	--	14,499	4,713	19,212
Transfer to statutory reserve	--	356,723	--	(356,723)	--
Dividends	--	--	--	(349,179)	(349,179)
Balance at September 30 2020	458,557	1,241,412	1,110,629	4,610,815	7,421,413

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
(stated in Trinidad and Tobago Dollars)

	Unaudited June 2021 \$'000	Unaudited June 2020 \$'000	Audited Sep-2020 \$'000
Cash Flow From Operating Activities			
Profit before taxation	683,321	654,454	831,645
Adjustments to reconcile profit to net cash provided by operating activities:	165,056	141,158	167,825
Cashflows from operating activities before changes in operating assets and liabilities	848,377	795,612	999,470
Changes in operating assets and liabilities:			
Net change in loans to customers	701,180	(859,787)	(625,523)
Net change in customers' deposits and other funding	(144,463)	2,597,956	3,117,398
Net change in other assets	(135,112)	(95,645)	(41,908)
Net change in statutory deposits with Central Bank	(286,898)	(392,268)	(1,412,850)
Net change in creditors and accrued expenses	(133,408)	(101,376)	7,969
Taxes paid	(139,380)	(224,133)	(302,018)
Net cash flow from operating activities	710,296	1,720,359	1,742,538
Cash Flows From Investing Activities			
Net change in investments	131,123	(1,675,618)	(375,145)
Net change in loan notes	36,847	36,850	73,700
Net change in short-term investments	1,049,923	(61,427)	(800,487)
Proceeds from disposal of property, plant and equipment	1,404	866	8,029
Purchase of property, plant and equipment	(51,697)	(37,100)	(94,894)
	1,167,600	(1,736,429)	(1,188,797)
Cash Flows From Financing Activities			
Net change of debt securities	(274,025)	692,314	696,339
Repayment lease liabilities	(10,543)	—	(29,495)
Dividend paid	(270,611)	(300,064)	(349,179)
Net cash flow from financing activities	(555,179)	392,250	317,665
Effect of exchange rate change	(6,263)	(4,526)	21,673
Net cash (decrease) in cash and cash equivalents	1,316,454	371,654	893,079
Cash and cash equivalents at beginning of year	1,957,698	1,064,619	1,064,619
Cash and cash equivalents at end of period	3,274,152	1,436,273	1,957,698
REPRESENTED BY:-			
Cash and due from banks	10,344,533	8,026,027	10,097,285
Due to other banks	(1,705,436)	(2,221,425)	(2,011,616)
Less:			
Statutory Deposits	(5,207,326)	(3,899,847)	(4,920,429)
Short Term Investments (Maturity over 3 months)	(157,619)	(468,482)	(1,207,542)
	3,274,152	1,436,273	1,957,698

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Nine Months ended June 30 2021

Notes to the Condensed Consolidated 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.

The Bank is a subsidiary of First Citizens Holdings Limited (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. The remainder of the shares are listed on the Trinidad and Tobago Stock Exchange and are publicly traded.

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 Trinidad and Tobago Government. 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.

On June 30 2021, the Bank's shareholders approved the corporate restructuring of the First Citizens Group to establish a Group Holding Company to directly hold all subsidiaries including the Bank, provided approval is received from the regulators. The Bank's shareholders will become shareholders of the new Group holding company, in the same percentage shareholding as they currently hold in Bank. The new Group holding company will be listed on the Stock Exchange.

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 paying agency services	Trinidad & Tobago	100%

The Group also has investment in the following entities:

Infotlink 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%
Term Finance (holdings) Limited	Provision of short term loans to individuals and small-medium sizes business	Trinidad & Tobago	20%

In March 2021, Infotlink Services Limited acquired Trinidad and Tobago Interbank Payment System Limited.

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Nine Months ended June 30 2021
Notes to the Condensed Consolidated Interim Financial Statements

2 Basis of preparation

The interim consolidated financial statement for the nine months period ended June 30 2021, has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the audited consolidated financial statements for the year ended September 30 2020.

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 September 30 2020.

4 Commitments

	June 2021 \$'000	June 2020 \$'000	September 2020 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts	<u>144,335</u>	<u>46,721</u>	<u>104,042</u>
Credit Commitments			
Commitments for loans approved not yet disbursed	<u>595,468</u>	<u>584,857</u>	<u>456,827</u>

5 Credit impairment losses net recoveries

	June 2021 \$'000	June 2020 \$'000	September 2020 \$'000
Expected Credit Losses			
Loans and advances	(84,601)	(174,409)	(216,667)
Other financial assets	<u>20,880</u>	<u>(12,732)</u>	<u>3,380</u>
	<u>(63,721)</u>	<u>(187,141)</u>	<u>(213,287)</u>

First Citizens Bank Limited and its Subsidiaries
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Notes to the Condensed Consolidated Interim Financial Statements

6 Related Party Transactions

(a) Directors and key management personnel

	June	June	Sept
	2021	2020	2020
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	44,217	52,554	64,490
Loans and receivables	11,543	12,417	12,552
Interest income	412	409	592
Customers' Deposits	20,937	24,105	21,337
Interest expense	190	186	245
Other Funding instruments	729	702	707
Interest expense-Other funding	12	8	13

(b) Transactions with Parent

Customers' Deposit	2,736	1,951	2,087
Long-term notes	58,000	58,000	58,000
Loan Note	7,821	13,035	10,428
Interest income on loan notes	822	1,276	1,653
Due from parent	65	118	262

(c) Pension Plan

Employer's contribution	47,406	39,360	51,110
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(d) Government of the Republic of Trinidad and Tobago (GORTT)

Assets

Loan notes	102,728	171,214	136,971
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Liabilities

Due to GORTT	22,756	22,918	22,890
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Interest Income

Loan notes	10,800	16,755	21,718
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First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Nine Months ended June 30 2021
Notes to the Consolidated Financial Statements

6 Related Party Transactions (cont'd)

(e) Other transactions with the Government of the Republic of Trinidad and Tobago

In addition to the balances in (d) above, the Group 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 Group and these related parties are as follows:

	June 2021 \$'000	June 2020 \$'000	Sept 2020 \$'000
Loans to customers	4,214,386	4,753,188	4,564,236
Interest income	200,217	240,133	306,236
Customers' deposits	10,503,406	10,968,849	11,846,181
Interest expense	17,509	33,019	45,390
Financial assets – Hold to collect and sell	10,302,558	10,572,254	8,461,515
Financial assets – Hold to collect	510,313	512,115	541,972
Investment income	325,562	348,356	404,459
Other funding instruments	699,418	347,856	986,706
Interest expense	10,579	5,160	21,974

- (f) The (COVID – 19) Small & Medium Enterprises (SME) Stimulus Loan is an initiative an GORTT embarked 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.

SME Loans	14,125	--	10,800
Interest income	300	--	48

7 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.

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Nine Months ended June 30 2021
Notes to the Consolidated Financial Statements

8 Segment Reporting

The segmental information used by the Executive and Senior Management is as follows:-

Period ended June 30 2021	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	1,194,334	471,572	77,907	3,957	(129,405)	1,618,365
Profit Before Taxation	569,694	336,551	44,594	(158,046)	(109,472)	683,321
Total Assets	22,935,911	25,007,830	575,758	571,284	(2,252,635)	46,838,148

Period ended June 30 2020	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	1,229,590	510,881	98,421	4,117	(132,298)	1,710,711
Profit Before Taxation	613,346	241,315	67,392	(156,541)	(111,058)	654,454
Total Assets	24,091,540	23,809,879	557,290	524,178	(2,326,925)	46,655,962

Year ended September 30 2020	Retail & Corporate Banking \$'000	Treasury & Investment Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	1,605,705	626,572	132,988	5,466	(136,083)	2,234,648
Profit Before Taxation	806,703	299,652	90,579	(257,559)	(107,730)	831,645
Total Assets	23,347,413	25,354,236	694,251	585,816	(2,536,018)	47,445,698