

# First Citizens Bank Limited and its Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 DECEMBER 2020

(Expressed in Trinidad and Tobago dollars)



First Citizens

## Chairman's Report

At the end of this first quarter, the effects of the global pandemic on our economy continue to impact the operations of our First Citizens Group. This is reflected in our financial results for the three months ended December 2020 with a profit before tax of \$232.9 million. Profit after tax amounted to \$173.9 million which represented a 21.9% decline when compared with the corresponding prior year period. This stemmed primarily from the decline in interest income underpinned by reductions in interest rates and the reduction in foreign exchange trading, fees and commissions. Total Assets valued at \$47.8 billion, showed a 0.7% increase from September 2020. Gross Loans declined by 2.0% from \$19.5 billion to \$19.1 billion, while Investments remained relatively stable at \$16.5 billion. Customer Deposits (as part of Customer Deposits and Other Funding Instruments) grew by 3.5% moving from \$28.9 billion to \$29.9 billion. Expenses reflected a marginal improvement relative to the same period last year of \$277.4 million as compared with \$285.6 million at December 2019. Our earnings per share amounted to \$0.69, as compared with December 2019 of \$0.89.

The First Citizens Group continues to recognize the need for a balanced approach out of consideration for its shareholders while ensuring organizational sustainability. The Board has declared an interim dividend of \$0.36 per ordinary share which represents a reduction of 18% over the corresponding prior period. This dividend will be paid on 26 February 2021 to shareholders on record as at 10 February 2021.

The outlook for a global rebound, in the short term, is cautiously optimistic although regionally, growth is expected to be much more delayed in tourism-dependent economies. In the local economy, credit response remains sluggish, however, the non-energy sector already appears to be on the uptick with investments in the construction and manufacturing sectors. While our customers and communities continue to find ways to cope with the challenges presented by the COVID-19 pandemic, the First Citizens Group continues to embrace technology to enhance our customer interaction in a safe and efficient manner. Our commitment to all our stakeholders remains at the forefront of all our efforts to provide sustainability and growth.

I wish to acknowledge the continued loyalty and support of our staff during this period. I also extend sincere gratitude to our customers, my fellow directors and all other stakeholders for their invaluable contributions towards the success of the Group.

*Anthony Isidore Smart*

Anthony Isidore Smart  
Chairman

## Condensed Consolidated Interim Statement Of Financial Position

	Unaudited December 2020 \$'000	Unaudited December 2019 \$'000	Audited September 2020 \$'000
<b>ASSETS</b>			
Cash and Statutory Deposits	10,783,042	7,052,678	10,097,285
Financial Assets			
- Investments	16,532,324	16,946,596	16,464,240
- Loans and receivables less allowance for loan losses:			
Loans to customers	18,638,082	19,606,262	19,040,472
Loans notes	147,399	221,099	147,399
Other assets	559,515	467,087	569,818
Investment in joint ventures & associates	200,573	193,344	206,464
Property, plant and equipment	677,299	588,006	696,161
Intangible assets	218,974	219,637	223,589
<b>TOTAL ASSETS</b>	<b>47,757,208</b>	<b>45,294,709</b>	<b>47,445,698</b>
<b>LIABILITIES</b>			
Customers' deposits and other funding instruments	33,414,867	31,866,424	33,143,099
Due to other banks	2,040,862	2,217,108	2,011,616
Creditors and accrued expenses	1,077,418	927,605	954,537
Lease liabilities	98,743	-	110,576
Defined benefit liability	121,629	12,965	121,263
Debt securities in issue	3,355,194	2,930,832	3,625,194
Notes due to related companies	58,000	58,000	58,000
<b>TOTAL LIABILITIES</b>	<b>40,166,713</b>	<b>38,012,933</b>	<b>40,024,285</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	458,557	458,557	458,557
Statutory reserve	1,241,412	884,689	1,241,412
Fair value reserve	1,221,891	1,129,296	1,110,629
Retained earnings	4,668,634	4,809,234	4,610,815
<b>SHAREHOLDERS' EQUITY</b>	<b>7,590,495</b>	<b>7,281,776</b>	<b>7,421,413</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>47,757,208</b>	<b>45,294,709</b>	<b>47,445,698</b>

On 25 January 2021, the Board of Directors of First Citizens Bank Limited authorized these consolidated financial statements for issue.

Director *Anthony Isidore Smart*

Director *[Signature]*

## Condensed Consolidated Interim Income Statement

Note	Unaudited Three Months ended December 2020 \$'000	Unaudited December 2019 \$'000	Audited Year ended September 2020 \$'000
<b>Net interest income</b>	<b>381,845</b>	<b>428,997</b>	<b>1,626,696</b>
Other income	140,404	190,860	607,952
<b>Total net income</b>	<b>522,249</b>	<b>619,857</b>	<b>2,234,648</b>
Credit impairment losses net recoveries	(15,954)	(19,349)	(213,287)
Non-interest expenses	(277,371)	(285,560)	(1,209,013)
<b>Operating profit</b>	<b>228,924</b>	<b>314,948</b>	<b>812,348</b>
Share of profit in associates and joint venture	4,022	6,177	19,297
<b>Profit before taxation</b>	<b>232,946</b>	<b>321,125</b>	<b>831,645</b>
Taxation	(59,095)	(98,481)	(224,779)
<b>Profit after taxation</b>	<b>173,851</b>	<b>222,644</b>	<b>606,866</b>
<b>Earnings Per Share</b>			
Basic	\$0.69	\$0.89	\$2.40
<b>Weighted Average Number of Shares</b>			
Basic	251,354	251,354	251,354

## Condensed Consolidated Statement of Comprehensive Income

	Unaudited Three Months ended		Audited Year ended
	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
<b>Profit for the period</b>	<b>173,851</b>	<b>222,644</b>	<b>606,866</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be classified to Profit or Loss</b>			
Items reclassified to retained earnings	-	-	4,713
Remeasurement of defined benefit liability	-	-	(68,275)
Net gains on investments in equity instruments designated at FVOCI	7,033	6,141	10,663
Revaluation of property, plant and equipment net of tax	-	-	5,016
	7,033	6,141	(47,883)
<b>Items that may be reclassified to Profit or Loss</b>			
Exchange difference on translation	678	5,758	6,103
Reclassified to profit or loss on disposal	3,289	(958)	(18,941)
Amortization of losses on hold to collect assets	-	(512)	(4,420)
Net gains / (losses) on financial assets measured at FVOCI	100,262	22,737	84,353
	104,229	27,025	67,095
<b>Total other comprehensive loss for the period</b>	<b>111,262</b>	<b>33,166</b>	<b>19,212</b>
<b>Total comprehensive income for the period</b>	<b>285,113</b>	<b>255,810</b>	<b>626,078</b>

## Condensed Consolidated Statement of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
<b>Balance at 1 October 2020</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,110,629</b>	<b>4,610,815</b>	<b>7,421,413</b>
Total Comprehensive income	-	-	111,262	173,851	285,113
Dividends	-	-	-	(116,031)	(116,031)
<b>Balance at 31 December 2020</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,221,891</b>	<b>4,668,635</b>	<b>7,590,495</b>
<b>Balance at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,712,675</b>	<b>7,152,051</b>
Total Comprehensive income	-	-	33,166	222,644	255,810
Dividends	-	-	-	(126,085)	(126,085)
<b>Balance at 31 December 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,129,296</b>	<b>4,809,234</b>	<b>7,281,776</b>
<b>Balance at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,712,675</b>	<b>7,152,051</b>
Change on initial adoption of IFRS 16	-	-	-	(7,537)	(7,537)
<b>Restated Balance as at 1 October 2019</b>	<b>458,557</b>	<b>884,689</b>	<b>1,096,130</b>	<b>4,705,138</b>	<b>7,144,514</b>
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)
<b>Balance at 30 September 2020</b>	<b>458,557</b>	<b>1,241,412</b>	<b>1,110,629</b>	<b>4,610,815</b>	<b>7,421,413</b>

## Condensed Consolidated Statement of Cash Flow

	Unaudited December 2020 \$'000	Unaudited December 2019 \$'000	Audited September 2020 \$'000
<b>Cash Flow From Operating Activities</b>			
Profit before taxation	232,946	321,125	831,645
Adjustments to reconcile profit to net cash provided by operating activities:	(8,193)	17,375	167,825
<b>Cash Flows From Operating Activities Before Changes In Operating Assets And Liabilities</b>	<b>224,753</b>	<b>338,500</b>	<b>999,470</b>
Changes in operating assets and liabilities:			
Net change in loans to customers	389,892	(997,674)	(625,523)
Net change in customers' deposits and other funding	271,768	1,840,722	3,117,398
Net change in other assets	(42,891)	(10,743)	(41,908)
Net change in statutory deposits with Central Bank	954,810	(349,034)	(1,412,850)
Net change in creditors and accrued expenses	180,435	(102,521)	7,969
Taxes paid	(20,749)	(65,450)	(302,018)
<b>Net cash flow from operating activities</b>	<b>1,958,018</b>	<b>653,800</b>	<b>1,742,538</b>
<b>Cash Flows From Investing Activities</b>			
Net change in investments	64,795	(1,020,014)	(375,145)
Net change in loan notes	-	-	73,700
Net change in short-term investments	(250,330)	358,737	(800,487)
Proceeds from disposal of property, plant and equipment	18	38	8,029
Purchase of property, plant and equipment	(8,634)	(6,878)	(94,894)
	<b>(194,151)</b>	<b>(668,017)</b>	<b>(1,188,797)</b>
<b>Cash Flows From Financing Activities</b>			
Repayment of debt securities	(270,000)	-	696,339
Repayment of lease liabilities	(16,979)	-	(29,495)
Dividends paid	(116,031)	(126,085)	(349,179)
Net cash flow from financing activities	<b>(403,010)</b>	<b>(126,085)</b>	<b>317,665</b>
Effect of exchange rate changes	134	6,322	21,673
<b>Net cash (decrease)/increase in cash and cash equivalents</b>	<b>1,360,991</b>	<b>(133,980)</b>	<b>893,079</b>
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	<b>3,318,689</b>	<b>930,639</b>	<b>1,957,698</b>
<b>REPRESENTED BY:-</b>			
Cash and Due from Banks and Statutory Deposits	10,783,042	7,052,678	10,097,285
Due to Other Banks	(2,040,862)	(2,217,108)	(2,011,616)
Less:			
Statutory Deposits	(3,965,619)	(3,856,613)	(4,920,429)
Short Term Investments (Maturity over 3 months)	(1,457,872)	(48,318)	(1,207,542)
	<b>3,318,689</b>	<b>930,639</b>	<b>1,957,698</b>

# First Citizens Bank Limited and its Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 DECEMBER 2020

(Expressed in Trinidad and Tobago dollars)



First Citizens

## 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.

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	Provision of trustee, administration and paying agency services	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:

Entity	Nature of Operations	Country of Incorporation	Ownership Interest
Infolink Services Limited	Provision of automated banking reciprocity services	Trinidad & Tobago	25%
Trinidad and Tobago Interbank Payment System Limited	Automated clearing house	Trinidad & Tobago	14.29%
St. Lucia Electricity Services Limited	Provision of electrical power to consumers	St. Lucia	19%

### 2. Basis of Preparation

The interim consolidated financial statement for the three months period ended 31 December 2020, 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 30 September 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 30 September 2020.

### 4. Commitments

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts:	135,269	51,101	104,042

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
<b>Credit Commitments</b>			
Commitments for loans approved not yet disbursed:	540,455	1,238,887	456,827

### 5. Credit Impairment Losses Net Recoveries

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
<b>Expected Credit Losses</b>			
Loans and advances	(14,164)	(16,986)	(216,667)
Other financial assets	(1,790)	(2,363)	3,380
	<b>(15,954)</b>	<b>(19,349)</b>	<b>(213,287)</b>

### 6. Related Party Transactions

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
<b>(a) Directors and key management personnel</b>			
Salaries and other short-term employee benefits	11,423	20,436	64,490
Loans and receivables	12,197	11,993	12,552
Interest income	151	144	592
Customers' deposits	20,854	19,378	21,337
Interest expense	56	48	245
Other funding instruments	722	707	707
Interest expense – other funding	4	4	13
<b>(b) Transactions with parent</b>			
Customers' deposits	2,796	1,829	2,087
Long-term notes payable	58,000	58,000	58,000
Loan notes receivable	10,428	15,642	10,428
Interest income on loan notes	302	453	1,653
Due from parent	185	69	262

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

### 6. Related Party Transactions (cont'd)

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
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<b>(c) Pension Plan</b>			
Employer's contribution	15,802	8,985	51,110

### (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 2020 \$'000	December 2019 \$'000	September 2020 \$'000
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<b>Assets</b>			
Loan notes with Taurus Services Limited	136,971	205,457	136,971

<b>Liabilities</b>			
Due to GORTT	22,862	23,044	22,890

<b>Interest Income</b>			
Loan notes	3,970	5,955	21,718

### (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:

	December 2020 \$'000	December 2019 \$'000	September 2020 \$'000
Loans to customers	4,340,028	4,951,299	4,564,236
Interest income	11,733	83,218	306,236
Customers' deposits	11,825,537	9,885,993	11,846,181
Interest expense	8,194	10,005	45,390
Investments	10,478,158	9,287,957	9,003,487
Investment income	124,446	104,732	404,459
Other funding instruments	701,477	973,342	986,706
Interest expense	4,333	6,396	21,974

### (f) The COVID-19 Small & Medium Enterprises (SME) Stimulus Loan

An initiative the GORTT embarked upon, geared specifically towards bringing relief to the Small and Medium Enterprise 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	13,498	-	10,800
Interest income	91	-	48

### 7. 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.

### 8. Segment Reporting

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

Period ended 31 December 2020	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
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<b>Total Net Income</b>	383,999	127,568	25,720	(1,667)	(13,371)	522,249
<b>Profit Before Taxation</b>	211,505	75,229	15,015	(61,540)	(7,263)	232,946
<b>Total Assets</b>	24,240,891	24,608,747	773,580	554,953	(2,420,963)	47,757,208

Period ended 30 December 2019	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
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<b>Total Net Income</b>	437,389	157,862	34,714	(1,507)	(8,601)	619,857
<b>Profit Before Taxation</b>	272,329	85,066	24,862	(60,923)	(209)	321,125
<b>Total Assets</b>	24,152,143	21,771,191	586,848	950,948	(2,166,421)	45,294,709

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