First Citizens Holdings Limited

Unconsolidated Financial Statements

30 September 2024

(Expressed in Trinidad and Tobago Dollars)

Contents

First Citizens Holdings Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying unconsolidated financial statements of First Citizens Holdings Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 September 2024, the unconsolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited unconsolidated financial statements, management utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying unconsolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Group Chief Executive Officer
5 December 2024

Group Chief Financial Officer
5 December 2024

Independent auditor's report

To the Shareholder of First Citizens Holdings Limited

Our opinion

In our opinion, the unconsolidated financial statements present fairly, in all material respects the financial position of First Citizens Holdings Limited (the Company) as at 30 September 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's unconsolidated financial statements (the financial statements) comprise:

- the unconsolidated statement of financial position as at 30 September 2024;
- the unconsolidated statement of comprehensive income for the year then ended;
- the unconsolidated statement of changes in equity for the year then ended;
- the unconsolidated statement of cash flows for the year then ended; and
- the notes to the unconsolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
11 December 2024

First Citizens Holdings Limited

Unconsolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 September 2024 $'000	2023 $'000
Assets			
Cash and cash equivalents	4	100,435	99,079
Investment in subsidiary	5	377,286	377,286
Other receivables	6	12	6
Tax recoverable		10	7
Total assets		477,743	476,378
Liabilities			
Due to related party		69	59
Other liabilities	7	311	346
Total liabilities		380	405
Shareholder's equity			
Share capital	8	23,205	23,205
Capital contribution	9	48,918	48,918
Retained earnings		405,240	403,850
Total shareholder's equity		477,363	475,973
Total liabilities and shareholder's equity		477,743	476,378

The notes on pages 8 to 20 are an integral part of these unconsolidated financial statements.

On 5 December 2024, the Board of Directors of First Citizens Holdings Limited authorised these unconsolidated financial statements for issue.

Anthony Isidore Smart. Director

Director

First Citizens Holdings Limited

Unconsolidated Statement of Comprehensive Income
(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2024 $'000	2023 $'000
Dividend income		328,808	269,888
Interest income	11	483	437
Total income		329,291	270,325
Administrative expenses	12	(1,407)	(1,223)
Profit before taxation		327,884	269,102
Taxation	13	--	--
Profit for the year		327,884	269,102
Total comprehensive income		327,884	269,102

The notes on pages 8 to 20 are an integral part of these unconsolidated financial statements.

First Citizens Holdings Limited

Unconsolidated Statement of Comprehensive Income
(Expressed in Trinidad and Tobago Dollars)

	Note	Share capital $'000	Capital contribution $'000	Retained earnings $'000	Total shareholder's equity $'000
Balance at 1 October 2023		23,205	48,918	403,850	475,973
Profit for the year		--	--	327,884	327,884
Transactions with owners					
Dividends paid	10	--	--	(326,494)	(326,494)
Balance at 30 September 2024		23,205	48,918	405,240	477,363
Balance at 1 October 2022		23,205	48,918	402,534	474,657
Profit for the year		--	--	269,102	269,102
Transactions with owners					
Dividends paid	10	--	--	(267,786)	(267,786)
Balance at 30 September 2023		23,205	48,918	403,850	475,973

The notes on pages 8 to 20 are an integral part of these unconsolidated financial statements.

First Citizens Holdings Limited

Unconsolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 30 September 2024 $'000	2023 $'000
Cash flows from operating activities		
Profit before taxation	327,884	269,102
Interest income	(483)	(437)
Cash flows from operating activities before changes in operating assets and liabilities	327,401	268,665
Changes in operating assets and liabilities		
Net change in note receivable	--	58,000
Net change in due to related party	10	40
Net change in other liabilities	(39)	21
Interest received	478	436
Net cash generated from operating activities	327,850	327,162
Cash flows from financing activities		
Dividends paid	(326,494)	(267,786)
Net cash used in financing activities	(326,494)	(267,786)
Net increase in cash and cash equivalents	1,356	59,376
Cash and cash equivalents at beginning of the year	99,079	39,703
Cash and cash equivalents at the end of year	100,435	99,079

The notes on pages 8 to 20 are an integral part of these unconsolidated financial statements.

1 **General information**

First Citizens Holdings Limited (the Company) was incorporated in Trinidad and Tobago in May 1994 and is wholly owned by the Government of Trinidad and Tobago. Its principal activity is investment holding.

The Company is the ultimate parent of the First Citizens Group. The Company acquired 96% of the share capital of First Citizens Bank Limited (the "Bank") as part of the restructuring of the Workers Bank (1989) Limited, National Commercial Bank of Trinidad and Tobago Limited and Trinidad Co-operative Bank Limited as described below.

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. The registered office is situated at 9 Queen's Park East, Port of Spain.

In October 2021, due to the corporate restructure, First Citizens Holdings Limited became the majority shareholder of First Citizens Group Financial Holdings Limited (FCGFH), with shareholding interest of 64.43%. In August 2022, the Company disposed 6.7% of its shareholdings in FCGFH, which brings its ordinary shareholdings to 60.11%.

2 **Summary of material accounting policies**

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. *Basis of preparation*

These unconsolidated financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:
- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations)

The unconsolidated financial statements are prepared under the historical cost convention as modified by the revaluation of freehold premises, fair value through other comprehensive income financial assets, financial assets classified at fair value through profit or loss (FVTPL).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements.

(i) *Standards, amendment and interpretations which are effective and have been adopted by the Company in the current period:*

- Amendments IAS1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (Effective 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

- Amendments to IAS 8 - *Definition of Accounting Estimates* (Effective 1 January 2023). The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

  There was no material impact on the adoption of these revised standards.

2 **Summary of material accounting policies (continued)**

a. *Basis of preparation (continued)*

(ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company*

The following standards, amendments and interpretations to existing standards are not yet effective and have not been early adopted by the Company:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current (Effective 1 January 2024). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(iii) *IFRS Sustainability Standards that are not yet effective and have not been early adopted by the Company:*

- IFRS S1 - General requirements for disclosure of sustainability-related financial information (Effective 1 January 2024). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- IFRS S2 - Climate-related disclosures information (Effective 1 January 2024). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Company is in the process of assessing the impact of the new and revised standards not yet effective on the unconsolidated financial statements and does not anticipate any material impact.

- Amendments to IAS 21 – Lack of Exchangeability (Effective 1 January 2025). The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is exchangeable into another currency.

- IFRS 18 - Presentation and Disclosures in Financial Statements (Effective 1 January 2027). This standard includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements, with a focus on updates to the statement of profit or loss. It replaces IAS 1 – Presentation of Financial Statements.

The Company is in the process of assessing the impact of the new and revised standards not yet effective on the financial statements. We do not anticipate any material impact.

b. *Investment in subsidiaries*

Subsidiaries are all entities, (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2 **Summary of material accounting policies (continued)**

c. *Foreign currency translation*

(i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The unconsolidated financial statements are presented in Trinidad and Tobago dollars, which is the Company's presentation currency. The exchange rate between the TT dollar and the US dollar as at the date of these statements was TT$6.6926= US$1.00 (2023 - TT$6.6926= US$1.00), which represent the Company's mid rate.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary items such as equities classified as fair value through other comprehensive income financial assets.

d. *Financial assets and financial liabilities*

(i) *Financial assets*

The Company classifies its financial assets using a Hold to Collect Business Model. Based on this factors, the Company has classified its assets into an amortised cost measurement category.

Hold to Collect - Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI)), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in "Interest income" using the effective interest rate method. Cash and due from other Banks are measured at amortised cost

(a) *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset

2 **Summary of material accounting policies (continued)**

d. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

(a) *Debt instruments (continued)*

Company's business model

The business model reflects how the Company manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Company's objective is solely to collect the contractual cash flows from the assets or it to collect both the contractual cash flows and cash flows arising from the sale of the assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Managements identification of and response to various risks, which includes but not limited to, liquidity risk, market risk, credit risk, interest rate risk.
- Management classification of its assets based on historical sales and forecasted liquidity requirements.

Arising out of the assessment the Loan Note Receivable will be classified as Hold to Collect.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(b) *Impairment*

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2 **Summary of material accounting policies (continued)**

d. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

(c) *Derecognition other than on a modification*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a subordinated residual interest

(ii) *Financial liabilities*

(a) *Classification and subsequent measurement*

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

(b) *Derecognition*

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2 **Summary of material accounting policies (continued)**

e. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the unconsolidated statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

f. *Cash and cash equivalents*

For purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash balances on hand, deposits with other banks and short-term highly liquid investments with original maturities of three months or less when purchased net of balances “due to other banks”.

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. An investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition. Equity investments are normally excluded, unless they are in substance a cash equivalent (e.g. preferred shares acquired within three months of their specified redemption date). Bank overdrafts which are repayable on demand and which form an integral part of an entity's cash management are also included as a component of cash and cash equivalents.

g. *Dividend income*

Dividends are recognised in the unconsolidated income statement when the entity’s right to receive payment is established.

h. *Share Capital*

(i) *Dividends on ordinary shares*

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank’s Board of Directors. Dividends for the year, which are declared after the year end, are disclosed in the subsequent events note when applicable.

(ii) *Capital contributions*

Payments made by the Government of the Republic of Trinidad and Tobago (GORTT) on behalf of the Company towards its loan obligations are treated as capital contributions since the GORTT has indicated that the Company will not be required to repay these amounts.

i. *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2 **Summary of material accounting policies (continued)**

j. *Income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the unconsolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

3 **Financial risk management**

The Company’s activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Company’s aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company’s financial performance.

The Company’s risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. As part of its mandate, the Board establishes written principles for overall risk management, as well as ensuring that policies are in place covering specific areas of risk. The most significant types of risk are credit risk, liquidity risk, market risk and operational risk which includes cybersecurity risk.

3 **Financial risk management (continued)**

a. *Credit risk*

Credit risk is the risk of incurring a financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company.

(a) *Maximum exposure to credit risk before collateral held or other credit enhancement*

	Gross maximum exposure 2024 $'000	Gross maximum exposure 2023 $'000
Cash and cash equivalents	100,435	99,079
Other receivables	12	6
	100,447	99,085

The above table represents a worst case scenario of credit risk exposure to the Company without taking account of any collateral held or other credit enhancements attached.

These assets are all classified under stage 1 with no ECL impact due to the financial assets being repayable on demand and carrying low credit risk.

b. *Market risk*

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risks arise from open positions in interest rate, currency, commodity and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates, commodity prices and equity prices.

(i) *Interest rate risk*

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and future cash flows. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of the changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. The Company takes on exposure to the effects of fluctuations in the prevailing level of market interest rates on both its fair value and cash flow risks.

(ii) *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no exposure to foreign currency risk.

3 **Financial risk management (continued)**

b. *Market risk (continued)*

(iii) *Other price risk*

Other price risk arises due to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to other price risk.

c. *Liquidity risk*

The liquidity risk is the risk that the Company will be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments when they fall due under normal and stress circumstances and arises from fluctuation in cash flows. The company has low exposure to liquidity risk.

3 **Financial risk management (continued)**

c. *Liquidity risk (continued)*

As at 30 September 2024	**Up to 1 Month $'000**	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
Liabilities						
Other liabilities	311	--	--	--	--	311
Due to related party	69	--	--	--	--	69
Total liabilities	380	--	--	--	--	380
Assets						
Cash and cash equivalents	100,435	--	--	--	--	100,435
Investment in subsidiary	--	--	--	--	377,286	377,286
Other receivables	12	--	--	--	--	12
Total assets	100,447	--	--	--	377,286	477,733
Net liquidity position	100,067	--	--	--	377,286	477,353

As at 30 September 2023	**Up to 1 Month $'000**	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Total $'000**
Liabilities						
Other liabilities	346	--	--	--	--	346
Due to related party	59	--	--	--	--	59
Total liabilities	405	--	--	--	--	405
Assets						
Cash and cash equivalents	99,079	--	--	--	--	99,079
Investment in subsidiary	--	--	--	--	377,286	377,286
Other receivables	6	--	--	--	--	6
Total assets	99,085	--	--	--	377,286	476,371
Net liquidity position	98,680	--		--	377,286	475,966

3 **Financial risk management (continued)**

d. *Fair value of financial assets and liabilities*

The following table summarises the carrying amounts and fair values of those financial assets and liabilities presented on the Company's statement of financial position at amortised cost.

	Carrying value		Fair value	
	2024	2023	2024	2023
	$	$	$	$
Financial assets				
Cash and cash equivalents	100,435	99,079	100,435	99,079

The fair values of the Company's financial instruments are determined in accordance with IFRS 9.

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is equal to fair value include cash.

4 **Cash and cash equivalents**

	2024	2023
	$'000	$'000
Money market fund	36,914	36,436
Cash at bank	63,521	62,643
	100,435	99,079

The average effective interest rate on cash and cash equivalents is 1.32% (2023: 1.21%).

These deposits have an average maturity of 30 days (2023: 30 days).

5 **Investment in subsidiary**

	2024	2023
	$'000	$'000
Ordinary shares at cost	328,786	328,786
Preference shares at cost	48,500	48,500
	377,286	377,286
Ordinary shares		
Opening balance	328,786	328,786
Disposal	--	--
Closing balance	328,786	328,786

This investment represents 60.1% (2023: 60.1%) of the ordinary share capital and 79.4% of the "B" class preference shares of First Citizens Group Financial Holdings Limited.

6 Other receivables

	2024 $'000	2023 $'000
Interest receivable	12	6

7 Other liabilities

Audit fees payable	110	133
Accrued payable	201	213
	311	346

8 Share capital

Authorised 50,000,000 ordinary shares of no par value		
Issued and fully paid 23,205,002 ordinary shares of no par value	23,205	23,205

9 Capital contribution

Balance at beginning of the year	48,918	48,918
Capital contribution for the year	--	--
	48,918	48,918

10 Dividend Paid

Final dividend paid prior period	102,334	69,151
Interim dividend paid – current period	224,160	198,635
	326,494	267,786

11 Interest income

Money market fund	483	437

12 Administrative expenses

Directors' fees	223	223
Green fund levy	988	811
Other expenses	196	189
	1,407	1,223

13 Taxation

	2024 $'000	2023 $'000
Business levy	--	--

The tax on profit differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2024 $'000	2023 $'000
Profit before taxation	327,884	269,102
Tax calculated at 30%	98,315	80,681
Tax allowances/non allowable expenses	420	367
Income not subject to tax	(98,735)	(81,048)
Business levy	--	--
	--	--

14 Related party transactions

During the year, the Company had the following transactions and balances with related parties

	2024 $'000	2023 $'000
Director's fees	223	223
Income		
Dividend income	328,808	269,888
Assets		
Cash and cash equivalents	63,521	62,643
Investment in subsidiary	377,286	377,286
Liabilities		
Due to related party	69	59

15 Subsequent events

On 5 December 2024, the Board of Directors declared a final dividend payment of $5.71 per share payable to its shareholder.