



First Citizens

First Citizens Bank Limited and its Subsidiaries Unaudited Financial Statements for the Six Months ended March 31, 2013

CHAIRPERSON'S REPORT

I am pleased to report our successful interim results for the First Citizens Group. At the end of the six months ended 31st March 2013, the First Citizens Group, notwithstanding challenging local and regional conditions, reported profit before tax of \$388.7 million. This profit represented \$40 million or 11.5% growth over the \$348.7 million earned for the corresponding period last year. Profit after tax amounted to \$306.4 million. Over the last six months, total assets increased by approximately 6%, to \$36.1 billion as compared to \$34.0 billion as at September 2012, and total shareholders' equity grew by approximately 5% to just over \$6.0 billion.

Our achievements in the region for the period included the continued integration of Butterfield Bank (Barbados) Limited (now rebranded as First Citizens Bank (Barbados) Limited) and greater market penetration in Costa Rica. In addition, First Citizens was named *Bank of the Year* by The Banker Magazine and Standard and Poor's and Moody's also re-affirmed the investment grade ratings of the institution. These

are notable achievements especially given the current global and regional economic climate.

In spite of fairly weak economic conditions and political uncertainties internationally, confidence in a global economic recovery seems more upbeat compared to the same period last year. However, as in 2012, recovery is expected to be largely uneven across regions and countries. The IMF has forecasted growth of 0 to 1% for the region and 2% for Trinidad and Tobago.

I wish to express my sincere gratitude to the staff, customers, my fellow directors and all other stakeholders for their invaluable contribution towards the continued growth and achievements of the First Citizens Group.

Nyree Alfonso
Chairperson
May 16, 2013

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

	Unaudited Mar-2013 \$'000	Unaudited Mar-2012 \$'000	Audited Sep-2012 \$'000
ASSETS			
Cash and statutory deposits	7,887,310	6,126,275	6,896,292
Financial assets			
- Investments	12,866,232	12,196,118	12,567,767
- Loans and receivables less allowance for loan losses:			
Loans to customers	11,223,898	8,601,810	10,325,556
Loans notes	2,573,071	2,643,695	2,607,625
Other assets	521,690	875,641	614,705
Investment in joint ventures & associates	136,826	132,242	135,408
Property, plant and equipment	438,219	408,385	446,106
Intangible asset	211,120	156,886	211,120
Defined benefit asset	204,274	241,302	228,659
TOTAL ASSETS	36,062,640	31,382,354	34,033,238
LIABILITIES			
Customers' deposits and other funding instruments	26,664,418	22,882,297	24,933,432
Due to other banks	81,091	103,098	63,251
Creditors and accrued expenses	768,258	291,493	781,142
Debt securities in issue	2,450,062	2,445,756	2,448,358
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	30,021,829	25,780,644	28,284,183
SHAREHOLDERS' EQUITY			
Share capital	643,557	640,000	643,557
Statutory reserve	666,132	662,124	666,132
Fair Value reserve	1,157,593	1,025,142	1,172,283
Retained earnings	3,573,529	3,274,444	3,267,083
SHAREHOLDERS' EQUITY	6,040,811	5,601,710	5,749,055
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,062,640	31,382,354	34,033,238

On 16 May 2013, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director

Director

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

	Unaudited Mar-2013 \$'000	Unaudited Mar-2012 \$'000	Audited Sep-2012 \$'000
Net Interest Income	579,235	543,150	1,096,303
Other income	246,616	216,368	423,038
Total Net Income	825,851	759,518	1,519,341
Impairment loss on loans and receivables			
net of recoveries	(19,976)	(56,433)	(66,785)
Expenses	(422,045)	(360,509)	(752,548)
Operating Profit	383,830	342,576	700,008
Share of profit in associates and joint ventures	4,885	6,101	14,156
Profit Before Taxation	388,715	348,677	714,164
Taxation	(82,269)	(5,870)	(267,772)
Profit After Taxation	306,446	342,807	446,392

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Expressed in Trinidad and Tobago Dollars)

	Unaudited Mar-2013 \$'000	Unaudited Mar-2012 \$'000	Audited Sep-2012 \$'000
Profit For The Period	306,446	342,807	446,392
Other Comprehensive Income:			
Exchange difference on translation	770	2,366	5,057
Revaluation of available-for-sale assets & property valuations	(15,644)	110,416	254,732
Share of other comprehensive income of associates accounted for under equity method	184	-	134
	(14,690)	112,782	259,923
Total Comprehensive Income For The Period	291,756	455,589	706,315

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Expressed in Trinidad and Tobago Dollars)

	Unaudited Mar-2013 \$'000	Unaudited Mar-2012 \$'000	Audited Sep-2012 \$'000
Cash Flow From Operating Activities			
Profit before taxation	388,715	348,677	714,164
Adjustments to reconcile profit to net cash provided by operating activities:			
Cashflows from operating activities before changes in operating assets and liabilities	63,167	38,443	127,857
Changes in operating assets and liabilities:			
Net change in loans to customers	(918,001)	171,544	(1,588,787)
Net change in customers' deposits and other funding	1,730,986	193,282	2,244,418
Net change in other assets	87,273	(264,729)	13,922
Net change in statutory deposits with Central Bank	(762,666)	(464,085)	(375,080)
Net change in creditors and accrued expenses	25,724	5,185	208,946
Taxes paid	(94,668)	(30,427)	(62,205)
Net cash flow from operating activities	520,530	(2,110)	1,283,235
Cash Flows From Investing Activities			
Net change in investments	(317,187)	398,423	275,131
Net change in loan notes	36,850	33,491	73,700
Net change in short-term investments	(163,619)	12,815	121,001
Acquisition of subsidiary, net cash acquired	-	-	(83,780)
Proceeds from disposal of property, plant and equipment	110	-	5,673
Purchase of property, plant and equipment	(23,638)	(19,308)	(77,165)
	(467,484)	425,421	314,560
Cash Flows From Financing Activities			
Net change of debt securities	-	(490,859)	(488,565)
Issue of shares	-	-	3,557
Dividend paid	-	-	(106,938)
Net cash flow from financing activities	-	(490,859)	(591,946)
Effect of exchange rate changes	6,153	47,084	(19,259)
Net cash (decrease)/increase in cash and cash equivalents	46,893	(20,464)	986,590
Cash and cash equivalents at beginning of year	2,020,843	1,034,253	1,034,253
Cash and cash equivalents at end of period	2,067,736	1,013,789	2,020,843
REPRESENTED BY:-			
Cash and due from banks and statutory deposits	7,887,310	6,126,275	6,896,292
Statutory deposits	(5,209,474)	(4,535,812)	(4,446,808)
Due to other banks	(81,091)	(103,098)	(63,251)
Short term investments (maturity over 3 months)	(529,009)	(473,576)	(365,390)
	2,067,736	1,013,789	2,020,843

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

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2012	643,557	666,132	1,172,283	3,267,083	5,749,055
Total comprehensive income	-	-	(14,690)	306,446	291,756
Balance at 31 March 2013	643,557	666,132	1,157,593	3,573,529	6,040,811
Balance at 30 September 2011	640,000	661,446	912,360	2,932,315	5,146,121
Total comprehensive income	-	-	112,782	342,807	455,589
Transfer to statutory reserve	-	678	-	(678)	-
Balance at 31 March 2012	640,000	662,124	1,025,142	3,274,444	5,601,710
Balance at 30 September 2011	640,000	661,446	912,360	2,932,315	5,146,121
Total comprehensive income	-	-	259,923	446,392	706,315
Dividends	-	-	-	(106,938)	(106,938)
Shares issued	3,557	-	-	-	3,557
Transfer to statutory reserve	-	4,686	-	(4,686)	-
Balance at 30 September 2012	643,557	666,132	1,172,283	3,267,083	5,749,055



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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Trinidad and Tobago Dollars)

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).

On 12 September 1993, the Workers' Bank (1989) Limited, National Commercial Bank of Trinidad and Tobago Limited and Trinidad Co-operative Bank Limited 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 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	Percentage ownership
First Citizens Asset Management Limited	Investment & asset management services for corporate benefit plans, mutual funds and other parties	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	Investment & asset management services and repo business	Trinidad & Tobago	100%
First Citizens Securities Trading Limited	Financial management services and repo business	Trinidad & Tobago	100%
First Citizens St. Lucia Limited	Selected banking and financial service operations	St. Lucia	100%
First Citizens Trustee Services Limited	Provision of trustee, administration and bond paying agency services	Trinidad & Tobago	100%
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%
Trinidad and Tobago Interbank Payment System Limited	Automated clearing house	Trinidad & Tobago	14.29%

2 Basis of Preparation

The condensed consolidated interim financial statement for the six months period ended 31 March 2013, have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 30 September 2012.

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 2012.

4 Commitments

	Unaudited March 2013 \$'000	Unaudited March 2012 \$'000	Audited Sept 2012 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts amount to:	35,361	4,761	12,595
Credit Commitments			
Commitments for loans approved not yet disbursed amount to:	156,776	286,179	993,674

5 Related Party Transactions

(a) Directors and key management personnel

Salaries and other short-term employee benefits	19,473	15,486	30,626
Loans and receivables	13,029	5,117	5,457
Interest income	353	109	245
Customers' deposits	6,096	5,587	3,955
Interest expense	47	46	33
Other funding instruments	1,470	996	1,448
Interest expense - other funding	19	13	36

(b) Transactions with associate

	Unaudited March 2013 \$'000	Unaudited March 2012 \$'000	Audited Sept 2012 \$'000
Loans and receivables	95,285	111,034	103,192
Interest income	3,556	4,026	8,376

(c) Transactions with parent

Customers' deposit	1,535	1,189	1,745
Long-term notes	58,000	58,000	58,000
Loan note	49,534	54,748	52,141
Interest income on loan notes	2,990	3,307	6,464

(d) Government of the Republic 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:

	Unaudited March 2013 \$'000	Unaudited March 2012 \$'000	Audited Sept 2012 \$'000
Assets			
Loan notes	650,613	719,098	684,856
Notes receivable from Central Bank	1,872,924	1,869,849	1,870,628
Interest Income			
Loan notes	42,261	43,436	84,897
Notes receivable from Central Bank	14,705	18,626	33,522

(e) Other transactions with the Government of the Republic 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:

	Unaudited March 2013 \$'000	Unaudited March 2012 \$'000	Audited Sept 2012 \$'000
Loans to customers	2,890,156	2,031,785	2,314,500
Interest income	103,467	74,728	173,587
Customers' deposits	8,027,721	7,862,560	6,864,398
Interest expense	16,917	16,491	20,469
Investments	5,282,562	6,003,198	5,945,215
Investment income	132,525	174,670	321,763
Other funding instruments	2,783,569	2,416,433	2,591,160
Interest expense	35,746	32,005	73,420
Due to GORTT	126,170	--	--
Due from GORTT	153,413	274,970	272,363

6 Contingent Liabilities

(a) 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.

7 Segment Reporting

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

	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
Period Ended 31 March 2013						
Total Net Income	524,101	321,488	93,946	2,269	(115,953)	825,851
Profit Before Taxation	286,812	210,935	77,267	(79,016)	(107,283)	388,715
Total Assets	13,513,681	24,715,875	381,691	1,070,898	(3,619,523)	36,062,640
Period Ended 31 March 2012						
Total Net Income	422,616	389,142	84,403	3,736	(140,379)	759,518
Profit Before Taxation	247,163	255,755	65,420	(80,493)	(139,168)	348,677
Total Assets	10,137,532	25,399,440	314,701	317,187	(4,786,506)	31,382,354
Year Ended 30 September 2012						
Total Net Income	889,485	1,232,395	159,187	3,923	(765,649)	1,519,341
Profit Before Taxation	502,248	1,002,848	122,896	(159,449)	(754,379)	714,164
Total Assets	12,272,714	24,954,127	371,745	414,176	(3,979,524)	34,033,238