

First Citizens Bank Limited and its Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 30 JUNE 2015
(Expressed In Trinidad And Tobago Dollars)



First Citizens

Chairman's Report

The directors are pleased to announce that The First Citizens Group has concluded another consistent quarter with profit after taxation of \$156.6 million. This brings our profit after taxation for the nine months to June 2015 to \$482.5 million, an increase of approximately 1% as compared to the corresponding period last year.

The total assets amounted to \$36.6 billion, which represents growth of 5.1% during the nine month period to June 2015. This was mainly as a result of significant growth in both our loans and investment portfolios being 13.5% and 9.8% respectively.

This performance is notable within the context of subdued economic activity both locally and regionally.

Within this quarter, we were also able to settle the terms of the Collective Agreements for the three (3) year period 2012 to 2014, as well as reach an agreement for the current period, 2015 to 2017. The latter includes compensation for staff in our bargaining unit based on the profit after taxation. My thanks to staff for their patience during this period of extended negotiations.

The local market continues to demonstrate heightened liquidity which translates into compressed margins. As we focus on growth of the assets, margin compression is also receiving the attention of management. Notwithstanding, the board and management remain confident of continued growth for fiscal 2015.

We continue to be proud of the strength of our group. Our balance sheet is well capitalised and shows strong liquidity buffers and diversified funding base.

I would like to express my gratitude to the staff, customers, my fellow directors and all other stakeholders for their invaluable contribution to the continuing profitability of the First Citizens Group.

Anthony Isidore Smart

Anthony Isidore Smart
Chairman
27 July 2015

Condensed Consolidated Interim Statement of Financial Position

	Unaudited Jun-15 \$'000	Unaudited Jun-14 \$'000	Audited Sep-14 \$'000
ASSETS			
Cash and Statutory Deposits	7,386,484	8,595,538	8,285,751
Financial Assets			
- Investments	12,853,326	11,493,774	11,705,418
- Loans and receivables less allowance for loan losses:			
Loans to customers	12,660,858	11,251,869	11,154,553
Loans notes	2,418,153	2,492,077	2,455,001
Other assets	482,454	361,319	425,935
Investment in joint ventures & associates	153,419	144,272	148,851
Property, plant and equipment	483,975	455,094	479,214
Intangible asset	200,292	211,120	203,245
TOTAL ASSETS	36,638,961	35,005,063	34,857,968
LIABILITIES			
Customers' deposits and other funding instruments	27,480,529	26,442,542	25,697,859
Due to other banks	28,495	134,291	82,454
Creditors and accrued expenses	797,550	939,379	832,533
Debt securities in issue	1,926,835	1,445,333	1,945,769
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	30,291,409	29,019,545	28,616,615
SHAREHOLDERS' EQUITY			
Share capital	643,557	643,557	643,557
Statutory reserve	672,768	669,717	672,768
Fair value reserve	1,249,735	1,217,058	1,323,970
Retained earnings	3,781,492	3,455,186	3,601,058
SHAREHOLDERS' EQUITY	6,347,552	5,985,518	6,241,353
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,638,961	35,005,063	34,857,968

Condensed Consolidated Interim Income Statement

	Unaudited Three months ended		Unaudited Nine months ended		Audited Sep-14
	Jun-15 \$'000	Jun-14 \$'000	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Net interest income	294,714	292,220	872,303	868,209	1,156,681
Other income	131,697	126,393	423,440	400,659	524,438
Total net income	426,411	418,613	1,295,743	1,268,868	1,681,119
Impairment expenses net recoveries	752	(6,646)	(21,001)	(25,195)	(12,884)
Expenses	(242,579)	(223,611)	(688,620)	(663,416)	(913,081)
Operating profit	184,584	188,356	586,122	580,257	755,154
Share of profit in associates and joint venture	5,522	5,078	11,953	13,296	17,421
Profit before taxation	190,106	193,434	598,075	593,553	772,575
Taxation	(33,490)	(36,564)	(115,608)	(115,916)	(146,015)
Profit after taxation	156,616	156,870	482,467	477,637	626,560
Earnings Per Share - Basic			\$1.92	\$1.90	\$2.50
Weighted Average Number of Share - Basic			251,354	251,354	251,354

Condensed Consolidated Statement Of Comprehensive Income

	Unaudited Three months ended		Unaudited Nine months ended		Audited Sep-14
	Jun-15 \$'000	Jun-14 \$'000	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Profit after taxation	156,616	156,870	482,467	477,637	626,560
Other comprehensive income:					
Items that will not be classified to profit or loss					
Amortisation of gain on held to maturity assets transferred from available-for-sale net of tax	(25,372)	(2,830)	(27,827)	(6,172)	(4,447)
Revaluation of property, plant and equipment	-	-	-	-	106,054
Remeasurement of Defined Benefit Liability	-	-	(6,464)	-	2,964
	(25,372)	(2,830)	(34,291)	(6,172)	104,571
Items may be classified to profit or loss					
Exchange difference on translation	(458)	(13,257)	3,567	(8,909)	(6,708)
Revaluation of available-for-sale assets & property	2,503	(43,214)	(43,511)	(22,273)	(28,305)
	2,045	(56,471)	(39,944)	(31,182)	(35,013)
Total other comprehensive income	(23,327)	(59,301)	(74,235)	(37,354)	69,558
Total comprehensive income	133,289	97,569	408,232	440,283	696,118

Condensed Consolidated Statement of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2014	643,557	672,768	1,323,970	3,601,058	6,241,353
Total comprehensive income	-	-	(74,235)	482,467	408,232
Dividends	-	-	-	(302,033)	(302,033)
Balance at 30 June 2015	643,557	672,768	1,249,735	3,781,492	6,347,552
Balance at 1 October 2013	643,557	669,717	1,254,412	3,397,718	5,965,404
Total comprehensive income	-	-	(37,354)	477,637	440,283
Dividends	-	-	-	(420,169)	(420,169)
Balance at 30 June 2014	643,557	669,717	1,217,058	3,455,186	5,985,518
Balance at 1 October 2013	643,557	669,717	1,254,412	3,397,718	5,965,404
Total comprehensive income	-	-	69,558	626,560	696,118
Dividends	-	-	-	(420,169)	(420,169)
Transfer to statutory reserve	-	3,051	-	(3,051)	-
Balance at 30 September 2014	643,557	672,768	1,323,970	3,601,058	6,241,353

On 27th July, 2015, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director: *[Signature]*

Director: *Anthony Isidore Smart*



Condensed Consolidated Statement Of Cash Flow

	Unaudited Jun-15 \$'000	Unaudited Jun-14 \$'000	Audited Sep-14 \$'000
Cash Flow From Operating Activities			
Profit before taxation	598,075	593,553	772,575
Adjustments to reconcile profit to net cash provided by operating activities:	121,847	(258,789)	49,853
Cash flows from operating activities before changes in operating assets and liabilities	719,922	334,764	822,428
Changes in operating assets and liabilities:			
Net change in loans to customers	(1,508,867)	585,948	376,580
Net change in customers' deposits and other funding	1,782,670	809,338	64,655
Net change in other assets	(123,790)	(1,003,406)	(976,620)
Net change in statutory deposits with Central Bank	360,863	1,285,014	1,330,183
Net change in creditors and accrued expenses	15,003	40,791	(35,131)
Taxes paid	(154,113)	(85,613)	(121,840)
Net cash flow from operating activities	1,091,688	1,966,836	1,460,255
Cash Flows From Investing Activities			
Net change in investments	(1,238,931)	399,588	143,809
Net change in loan notes	36,848	43,903	80,979
Net change in short-term investments	302,505	(680,864)	(457,362)
Proceeds from disposal of property, plant and equipment	7,768	3	1,578
Purchase of property, plant and equipment	(59,788)	(39,405)	(79,304)
	(951,598)	(276,775)	(310,300)
Cash Flows From Financing Activities			
Net change of debt securities	(21,102)	(1,000,000)	(500,000)
Dividend paid	(302,033)	(420,169)	(420,169)
Net cash flow from financing activities	(323,135)	(1,420,169)	(920,169)
Effect of exchange rate changes	1,105	(7,313)	43,513
Net cash (decrease)/increase in cash and cash equivalents	(181,940)	262,579	273,299
Cash and cash equivalents at beginning of year	2,182,428	1,909,129	1,909,129
Cash and cash equivalents at end of period	2,000,488	2,171,708	2,182,428
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	7,386,484	8,595,538	8,285,751
Statutory Deposits	(5,047,941)	(5,453,973)	(5,408,804)
Due to other banks	(28,495)	(134,291)	(82,454)
Short Term Investments (Maturity over 3 months)	(309,560)	(835,566)	(612,065)
	2,000,488	2,171,708	2,182,428

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 2014.

4. Commitments

Capital Commitments

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

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
	8,430	10,713	12,529

Credit Commitments

Commitments for loans approved not yet disbursed:

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
	698,648	735,070	386,117

5. Related Party Transactions

(a) Directors and key management personnel

Salaries and other short-term employee benefits
Loans and receivables
Interest income
Customers' deposits
Interest expense
Other Funding instruments
Interest expense-Other funding

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Salaries and other short-term employee benefits	26,985	26,963	29,755
Loans and receivables	20,234	24,990	17,138
Interest income	759	790	551
Customers' deposits	12,663	8,784	7,858
Interest expense	128	101	57
Other Funding instruments	1,121	1,394	1,313
Interest expense-Other funding	24	18	34

(b) Transactions with associate

Loans and receivables
Interest income

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Loans and receivables	55,113	70,877	70,859
Interest income	3,489	4,298	5,593

(c) Transactions with Parent

Customers' deposit
Long-term notes
Loan note
Interest income on loan note

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Customers' deposit	3,433	112,911	2,471
Long-term notes	58,000	58,000	58,000
Loan note	39,106	46,927	41,713
Interest income on loan note	3,513	3,962	5,246

(d) Government of the Republic of Trinidad and Tobago

Assets

Loan notes
Notes receivable from Central Bank

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Loan notes	513,642	582,127	547,885
Notes receivable from Central Bank	1,865,403	1,865,630	1,865,403

Liabilities

Due to GORTT

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Due to GORTT	99,614	107,345	92,065

Interest Income

Loan notes
Notes receivable from Central Bank

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Loan notes	46,144	52,035	74,154
Notes receivable from Central Bank	16,591	15,593	23,005

(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:

	Jun-15 \$'000	Jun-14 \$'000	Sep-14 \$'000
Loans to customers	2,896,082	3,154,308	2,111,816
Interest income	143,110	171,639	150,654
Customers' deposits	7,149,576	8,865,897	8,371,000
Interest expense	9,965	15,854	19,986
Investments	7,504,586	5,467,363	5,838,302
Investment income	198,119	209,644	180,006
Other funding instruments	1,492,081	1,444,101	2,125,294
Interest expense	9,367	8,767	17,381

6. 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.

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 30 June 2015						
Total Net Income	806,014	895,121	164,988	4,159	(574,539)	1,295,743
Profit Before Taxation	438,740	722,182	135,916	(136,923)	(561,840)	598,075
Total Assets	15,482,164	23,848,996	383,209	429,877	(3,505,285)	36,638,961
Period ended 30 June 2014						
Total Net Income	798,374	570,480	140,172	4,060	(244,218)	1,268,868
Profit Before Taxation	438,626	393,708	113,166	(125,663)	(226,284)	593,553
Total Assets	13,633,659	23,949,706	351,625	254,584	(3,184,511)	35,005,063
Year ended 30 September 2014						
Total Net Income	1,056,272	676,273	193,106	5,415	(249,947)	1,681,119
Profit Before Taxation	579,252	439,102	154,475	(170,104)	(230,150)	772,575
Total Assets	13,353,996	23,804,673	479,916	389,887	(3,170,504)	34,857,968

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). 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 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%

The Group currently comprises the following entities:

Entity	Nature of operations	Country of incorporation	Ownership interest
Infotlink 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 financial statement for the nine months period ended 30 June 2015, has been prepared in accordance with IAS 34 "Interim Financial Reporting".