



First Citizens

First Citizens Bank Limited and its Subsidiaries

Unaudited Financial Statements for the Six Months ended March 31, 2012

CHAIRPERSON'S REPORT

I am pleased to report that profit after tax for the six month period ended March 31, 2012 increased by 10% from \$312.1 million for the period ended March 2011, to \$342.8 million for the similar period to March 2012. This performance was particularly noteworthy given the current economic climate.

The Group's total assets showed a year on year growth of 3% with the asset base increasing to \$31.4 billion as at March 2012.

The Group has continued to implement new strategic initiatives to improve growth with the establishment of our representative office in Costa Rica and the execution of a Share Sale Agreement for the acquisition of the Butterfield Bank in Barbados.

These and other initiatives currently in train give us confidence in the continued growth and profitability of the Group.

Nyree Alfonso
Chairperson

May 15, 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

	Unaudited March 2012 \$'000	Unaudited March 2011 \$'000	Audited September 2011 \$'000
ASSETS			
Cash and statutory deposit	6,126,275	4,576,387	5,672,470
Financial assets			
- Investments	12,196,116	13,382,235	12,448,852
- Loans and receivables less allowance for loan losses:			
Loans to customers	8,597,080	8,463,101	8,795,000
Loan notes	2,643,696	2,718,840	2,677,187
Other assets	880,372	389,380	603,389
Investment in joint ventures & associates	132,242	126,402	128,982
Property, plant and equipment	408,385	405,725	422,492
Intangible asset	156,886	157,735	157,735
Defined benefit asset	241,302	267,512	254,186
TOTAL ASSETS	31,382,354	30,487,317	31,160,293
LIABILITIES			
Customers' deposits and other funding	22,882,297	22,368,425	22,689,015
Derivatives	-	10,140	-
Due to other banks	103,098	1,691	80,099
Creditors and accrued expenses	291,493	403,214	250,443
Debt securities in issue	2,445,756	2,865,738	2,936,615
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	25,780,644	25,707,208	26,014,172
SHAREHOLDERS' EQUITY			
Share capital	640,000	640,000	640,000
Statutory reserve	662,124	699,929	661,446
Fair value reserve	1,025,142	878,935	912,360
Retained earnings	3,274,444	2,561,245	2,932,315
SHAREHOLDERS' EQUITY	5,601,710	4,780,109	5,146,121
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	31,382,354	30,487,317	31,160,293

CONSOLIDATED 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 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 2010	640,000	699,282	1,125,636	2,434,768	4,899,686
Total comprehensive income	-	-	(246,701)	312,075	65,374
Dividends	-	-	-	(184,951)	(184,951)
Transfer to statutory reserve	-	647	-	(647)	-
Balance at 31 March 2011	640,000	699,929	878,935	2,561,245	4,780,109
Balance at 30 September 2010	640,000	699,282	1,125,636	2,434,768	4,899,686
Profit for the year	-	-	-	718,191	718,191
Total comprehensive income	-	-	(213,276)	4,491	(208,785)
Dividends	-	-	-	(262,971)	(262,971)
Transfer to statutory reserve	-	(37,836)	-	37,836	-
Balance at 30 September 2011	640,000	661,446	912,360	2,932,315	5,146,121

CONSOLIDATED STATEMENT OF INCOME

(Expressed in Trinidad and Tobago Dollars)

	Unaudited March 2012 \$'000	Unaudited March 2011 \$'000	Audited September 2011 \$'000
Net Interest Income	543,150	554,503	1,125,519
Other income	222,470	161,951	335,276
Total Net Income	765,620	716,454	1,460,795
Recoveries on loans and receivables net of impairment loss	(56,434)	(59,169)	(93,485)
Expenses	(360,509)	(313,654)	(678,757)
Operating Profit	348,677	343,631	688,553
Taxation	(5,870)	(31,556)	29,638
Profit After Taxation	342,807	312,075	718,191

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

	Unaudited March 2012 \$'000	Unaudited March 2011 \$'000	Audited September 2011 \$'000
Profit For The Period	342,807	312,075	718,191
Other Comprehensive Income:			
Exchange difference on translation	2,366	9,044	278
Gains on available-for-sale assets & property valuations	110,416	(255,745)	(209,215)
Share of other comprehensive income of associates accounted for under equity method	-	-	152
112,782	(246,701)	(208,785)	
Total Comprehensive Income For The Period	455,589	65,374	509,406

STATEMENT OF CASH FLOW

(Expressed in Trinidad and Tobago Dollars)

	Unaudited March 2012 \$'000	Unaudited March 2011 \$'000	Audited September 2011 \$'000
Cash Flows From Operating Activities			
Profit before taxation	348,677	343,631	688,553
Adjustments to reconcile profit to net cash provided by operating activities:	38,443	(56,189)	45,301
Cashflows from operating activities before changes in operating assets and liabilities	387,120	287,442	733,854
Changes in operating assets and liabilities:			
Net change in loans to customers	171,544	114,555	(296,227)
Net change in customers' deposits and other funding	193,282	850,033	1,170,622
Net change in other assets	(264,729)	(74,329)	(187,657)
Net change in statutory deposits with Central Bank	(464,085)	(159,186)	(705,243)
Net change in creditors and accrued expenses	5,185	(3,284)	18,174
Taxes paid	(30,427)	(24,270)	(51,592)
Net cash flow from operating activities	(2,110)	990,961	681,931
Cash Flows From Investing Activities			
Net change in investments	398,423	(609,561)	165,463
Net change in loan notes	33,491	36,850	73,700
Repayment on derivative financial instrument	-	-	(16,527)
Net change in short-term investments	12,815	(120,741)	(58,025)
Proceeds from disposal of property, plant and equipment	-	-	768
Purchase of property, plant and equipment	(16,194)	(38,563)	(86,615)
428,535	(732,015)	78,764	
Cash Flows From Financing Activities			
Net change of debt securities	(490,859)	388,728	461,331
Dividend paid	-	(184,951)	(262,971)
Net change in long term loans from related companies	-	-	-
Net cash flow from financing activities	(490,859)	203,777	198,360
Effect of exchange rate changes	43,970	(76,453)	(38,451)
Net cash (decrease)/increase in cash and cash equivalents	(20,464)	386,270	920,604
Cash and cash equivalents at beginning of year	1,034,253	113,649	113,649
Cash and cash equivalents at end of period	1,013,789	499,919	1,034,253
REPRESENTED BY:-			
Cash and due from banks	6,126,275	4,576,387	5,672,470
Statutory deposit	(4,535,812)	(3,525,670)	(4,071,727)
Due to other banks	(103,098)	(1,691)	(80,099)
Short term investments (Maturity over 3 months)	(473,576)	(549,107)	(486,391)
1,013,789	499,919	1,034,253	



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Unaudited Financial Statements

for the Six Months ended March 31, 2012

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 transfers also involved the issue of long-term notes by Taurus Services Limited, the Central Bank of Trinidad and Tobago and Holdings. These non-transferable notes have floating rates of return with an interest rate floor. Additionally, funding support through long-term borrowings issued by the Central Bank was received and the Bank has been successful in obtaining concessionary waivers of interest and principal payments. In September 2007, the Bank repaid these amounts to the Central Bank.

The Bank and its wholly owned subsidiary, First Citizens Asset Management Limited incorporated in Trinidad and Tobago, are engaged in the business of banking and financial intermediation including the provision of mortgages for residential and commercial properties, plant and equipment leasing, merchant banking and asset management services. First Citizens Securities Trading Limited (incorporated in Trinidad and Tobago), also a wholly owned subsidiary of the Bank, is engaged in the provision of financial management services. First Citizens (St. Lucia) Limited a wholly owned subsidiary of the Bank, incorporated under the laws of St. Lucia, and has been established as an offshore financial vehicle for the Bank and its subsidiaries. First Citizens Trustee Services Limited (incorporated in Trinidad and Tobago) is also a wholly owned subsidiary of the Bank and is engaged in providing trustee, administration and paying agency services for pension plans, bonds and mutual funds. First Citizens Financial Services (St. Lucia) Limited a wholly owned subsidiary of the Bank, incorporated under the laws of St. Lucia, and has been established to conduct selected banking and financial service operations in the Caribbean Region.

Due to financial difficulties experienced by CL Financial Limited (CLF), a major conglomerate in Trinidad and Tobago, the GORTT intervened pursuant to a Memorandum of Understanding (MoU) with CLF, to protect the interests of policyholders, depositors and creditors of CLF's financial services arm. As part of this intervention, the GORTT directed the Group to acquire Caribbean Money Market Brokers Limited (CMMB). The Group assumed control of CMMB effective 2 February 2009. In 2010, CMMB was renamed First Citizens Investment Services Limited.

First Citizens Investment Services Limited is incorporated in the Republic of Trinidad and Tobago. Its principal business includes dealing in securities and such other business as is authorised pursuant to its registration under the Securities Industry Act 1995 of the Republic of Trinidad and Tobago. The registered office is 17 Wainwright Street, St. Clair, Trinidad and Tobago.

In the prior year, the Group also acquired 100% of the equity shareholding of First Citizens Brokerage and Advisory Services Limited (formerly CMMB Securities and Asset Management Limited (CMMBSAM)). This acquisition was not part of the MoU between the GORTT and CLF and was separate from the acquisition of First Citizens Investment Services Limited. First Citizens Brokerage and Advisory Services Limited is incorporated in the Republic of Trinidad and Tobago and its principal business activity includes dealing in securities on the Trinidad and Tobago Stock Exchange. In addition, the Company also conducts other business as is authorized pursuant to its registration under the Securities Industry Act 1995 of the Republic of Trinidad and Tobago.

The Group has a 25% investment in a joint venture entity, Infolink Services Limited, and a 14.29% investment in another entity, Trinidad & Tobago Interbank Payment System Limited (TTIPS). Infolink's principal activity is the provision of automated banking machine reciprocity whilst that of TTIPS is the operation of an automated clearing house.

The Group also has a 19% investment in an associate, St. Lucia Electricity Services Limited, the principal activity of which is the provision of electrical power to consumers. St. Lucia Electricity Services Limited was incorporated under the laws of St. Lucia on 9 November 1964 and re-registered as a public company on 11 August 1994. The company was also registered under the Companies Act of St. Lucia on 22 October 1997. The company operates under the Electricity Supply Act, 1994 (as amended), and has an exclusive licence for the exercise and performance of functions relating to the supply of electricity in St. Lucia. The company is listed on the Eastern Caribbean Securities Exchange. The Company's registered office is situated at Sans Souci, John Compton Highway, Castries, St. Lucia.

2 Basis of preparation

The Interim financial statement for the six months period ended 31 March 2012, has been prepared in accordance with IAS 34 "Interim Financial Reporting".

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 2011.