

First Citizens Bank Limited and its Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 DECEMBER 2015
(Expressed In Trinidad And Tobago Dollars)



First Citizens

Chairman's Report

We are pleased to report that the First Citizens Group has concluded another profitable first quarter recording profit before tax of \$220.0 million, a growth of \$5.7 million or 2.7%, when compared to the corresponding period in 2014. Profit after tax amounted to \$179.9 million, this represents an increase of 1.2%, as compared to December 2014. The Group's total assets amounted to \$36.3 billion as at December 2015. This represents a decline of 3.2% as compared to September 2015 which was mainly as a result of the payment of the TTNGI IPO proceeds of approximately \$2.6 billion.

Non-interest income increased by 33.7% over the compared quarter in 2014, in keeping with our income diversification strategy, due to increased contributions from fee-based business lines. The impact of lower oil prices on the domestic economy makes proactive asset management critical, and we are therefore continuing to redeploy assets to achieve higher yields. The impact of this strategy is evident in reductions in loan notes and increases in loans to customers.

During the last quarter First Citizens was also awarded Bank of the Year 2015, from the very prestigious Banker Magazine. 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
05 February 2016

Condensed Consolidated Interim Statement Of Financial Position

	Unaudited Dec-15 \$'000	Unaudited Dec-14 \$'000	Audited Sep-15 \$'000
ASSETS			
Cash and statutory deposits	7,879,749	8,360,583	6,644,774
Financial Assets			
- Investments	12,636,993	12,930,650	13,555,952
- Loans and receivables less allowance for loan losses:			
Loans to customers	13,483,889	11,961,200	13,831,123
Loans notes	984,690	2,457,808	2,158,054
Other assets	481,516	424,488	469,265
Investment in joint ventures & associates	160,588	150,268	158,570
Property, plant and equipment	483,122	454,234	486,325
Intangible asset	226,186	222,554	234,251
Defined benefit asset	-	58,944	--
TOTAL ASSETS	36,336,733	37,020,729	37,538,314
LIABILITIES			
Customers' deposits and other funding instruments	26,750,830	27,886,592	25,744,145
Due to other banks	181,800	85,907	200,911
Creditors and accrued expenses	595,006	814,471	3,261,635
Defined benefit liability	28,169	-	20,159
Debt securities in issue	2,432,949	1,928,589	1,927,574
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	30,046,754	30,773,559	31,212,424
SHAREHOLDERS' EQUITY			
Share capital	643,557	643,557	643,557
Statutory reserve	675,726	672,768	675,726
Fair value reserve	1,053,240	1,308,375	1,080,102
Retained earnings	3,917,456	3,622,470	3,926,505
SHAREHOLDERS' EQUITY	6,289,979	6,247,170	6,325,890
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,336,733	37,020,729	37,538,314

The accompanying notes form an integral part of these consolidated financial statements.

On 05 February 2016, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director *Anthony Isidore Smart*

Director *Anthony B. M.*

Condensed Consolidated Interim Income Statement

	Unaudited Three months ended		Audited Year ended
	Dec-15 \$'000	Dec-14 \$'000	Sep-15 \$'000
Net interest income	303,118	286,661	1,168,932
Other income	191,814	143,462	594,418
Total net income	494,932	430,123	1,763,350
Impairment expenses net recoveries	(28,809)	(10,049)	(4,549)
Expenses	(251,353)	(210,534)	(984,013)
Operating profit	214,770	209,540	774,788
Share of profit in associates and joint venture	5,252	4,804	15,993
Profit before taxation	220,022	214,344	790,781
Taxation	(40,147)	(36,684)	(160,343)
Profit after taxation	179,875	177,660	630,438
Earnings Per Share			
Basic	\$0.72	\$0.71	\$2.51
Weighted Average Number of Share			
Basic	251,354	251,354	251,354

Condensed Consolidated Statement Of Comprehensive Income

	Unaudited Three months ended		Audited Year ended
	Dec-15 \$'000	Dec-14 \$'000	Sep-15 \$'000
Profit for the year	179,875	177,660	630,438
Other comprehensive income:			
Items that will not be classified to Profit or Loss			
Remeasurement of defined benefit liability	-	(6,464)	(51,305)
Revaluation of property, plant and equipment net of tax	-	--	25,249
	-	(6,464)	(26,056)
Items that may be reclassified to Profit or Loss			
Exchange difference on translation	20,636	5,226	(1,580)
Transfer of net realised gain to current year income	(12,539)	(1,987)	(27,465)
Amortisation of gains on held to maturity assets	(1,013)	(1,109)	(4,011)
	(33,946)	(11,261)	(184,756)
Revaluation of available-for-sale assets	(26,862)	(9,131)	(217,812)
Total other comprehensive income	(26,862)	(15,595)	(243,868)
Total comprehensive income for the year	153,013	162,065	386,570

Condensed Consolidated Statement Of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 30 September 2015	643,557	675,726	1,080,102	3,926,505	6,325,890
Total comprehensive income	-	-	(26,862)	179,875	153,013
Dividends	-	-	-	(188,924)	(188,924)
Balance at 31 December 2015	643,557	675,726	1,053,240	3,917,456	6,289,979
Balance at 30 September 2014	643,557	672,768	1,323,970	3,601,058	6,241,353
Total comprehensive income	-	-	(15,595)	177,660	162,065
Dividends	-	-	-	(156,248)	(156,248)
Balance at 31 December 2014	643,557	672,768	1,308,375	3,622,470	6,241,170
Balance at 30 September 2014	643,557	672,768	1,323,970	3,601,058	6,241,353
Total comprehensive income	-	-	(243,868)	630,438	386,570
Dividends	-	-	-	(302,033)	(302,033)
Transfer to statutory reserve	-	2,958	-	(2,958)	-
Balance at 30 September 2015	643,557	675,726	1,080,102	3,926,505	6,325,890



Condensed Consolidated Statement Of Cash Flow

	Unaudited Dec-15 \$'000	Unaudited Dec-14 \$'000	Audited Sep-15 \$'000
Cash Flow From Operating Activities			
Profit before taxation	220,022	214,344	790,781
Adjustments to reconcile profit to net cash provided by operating activities:	65,971	59,872	86,438
Cash flows from operating activities before changes in operating assets and liabilities	285,993	274,216	877,219
Changes in operating assets and liabilities:			
Net change in loans to customers	321,122	(810,981)	(2,663,472)
Net change in customers' deposits and other funding	1,006,685	2,188,733	46,286
Net change in other assets	(34,072)	(91,670)	(123,782)
Net change in statutory deposits with Central Bank	67,546	(667,816)	985,549
Net change in creditors and accrued expenses	(2,665,193)	(2,257)	2,526,668
Taxes paid	(41,444)	(58,774)	(195,326)
Net cash flow from operating activities	(1,059,363)	831,451	1,453,142
Cash Flows From Investing Activities			
Net change in investments	868,167	(1,258,020)	(2,128,896)
Net change in loan notes	1,173,364	-	296,947
Net change in short-term investments	(232,222)	21,898	311,888
Proceeds from disposal of property, plant and equipment	164	4,922	7,150
Purchase of property, plant and equipment	(6,205)	(15,138)	(80,706)
	1,803,268	(1,246,338)	(1,593,617)
Cash Flows From Financing Activities			
Net change of debt securities	500,000	-	(18,195)
Dividend paid	(188,924)	(156,248)	(302,033)
Net cash flow from financing activities	311,076	(156,248)	(320,228)
Effect of exchange rate changes	34,429	(3,404)	(1,294)
Net cash (decrease)/increase in cash and cash equivalents	1,089,410	(574,539)	(461,997)
Cash and cash equivalents at beginning of year	1,720,431	2,182,428	2,182,428
Cash and cash equivalents at end of period	2,809,841	1,607,889	1,720,431
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	7,879,749	8,360,583	6,644,774
Statutory Deposits	(4,355,709)	(6,076,620)	(4,423,255)
Due to other banks	(181,800)	(85,907)	(200,911)
Short Term Investments (Maturity over 3 months)	(532,399)	(590,167)	(300,177)
	2,809,841	1,607,889	1,720,431

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). In 2013, First Citizens Holdings disposed of 20% of its ordinary share holdings interest, which is trading on the Trinidad and Tobago Stock Exchange.

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 three months period ended 31 December 2015, 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 2015.

4. Commitments

	December 2015 \$'000	December 2014 \$'000	September 2015 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts	17,591	11,519	15,390
Credit Commitments			
Commitments for loans approved not yet disbursed:	397,343	324,289	507,033

5. Related Party Transactions

	December 2015 \$'000	December 2014 \$'000	September 2015 \$'000
(a) Directors and key management personnel			
Salaries and other short-term employee benefits	8,023	8,794	28,610
Loans and receivables	19,322	20,808	18,778
Interest income	279	253	1,019
Customers' deposits	13,218	9,692	10,355
Interest expense	47	36	168
Other funding instruments	908	1,336	1,383
Interest expense-other funding	7	9	31
(b) Transactions with associate			
Loans and receivables	47,756	63,184	55,113
Interest income	982	1,263	4,496
(c) Transactions with parent			
Customers' deposit	147,982	121,787	2,408
Long-term notes	58,000	58,000	58,000
Loan note	36,499	42,713	36,499
Interest income on loan notes	1,058	1,209	2,935
(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:			
Assets			
Loan notes	479,399	547,885	479,399
Notes receivable from Central Bank	468,793	1,868,210	1,642,156
Liabilities			
Due to GORTT	16,511	94,009	18,141
Interest Income			
Loan notes	13,896	15,881	61,033
Notes receivable from Central Bank	1,779	5,598	22,103
(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:			
Loans to customers	3,079,197	2,276,124	2,775,833
Interest income	35,026	38,194	181,186
Customers' deposits	6,644,111	6,459,889	5,985,807
Interest expense	2,563	2,755	16,315
Investments	7,565,512	5,307,187	7,247,805
Investment income	74,581	50,994	233,079
Other funding instruments	1,441,342	1,344,968	885,084
Interest expense	4,117	3,265	3,650

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 December 2015						
Total Net Income	295,866	148,121	58,562	1,233	(8,850)	494,932
Profit Before Taxation	163,916	61,697	47,978	(51,169)	(2,400)	220,022
Total Assets	17,796,804	20,881,314	367,233	262,137	(2,970,755)	36,336,733
Period ended 31 March 2014						
Total Net Income	266,924	111,810	57,420	1,301	(7,332)	430,123
Profit Before Taxation	146,406	64,679	48,125	(44,544)	(322)	214,344
Total Assets	13,934,869	26,067,969	442,982	165,983	(3,591,074)	37,020,729
Year ended 30 September 2014						
Total Net Income	1,081,812	1,113,093	218,758	5,555	(655,868)	1,763,350
Profit Before Taxation	574,311	862,087	177,690	(188,671)	(634,636)	790,781
Total Assets	17,448,455	24,992,527	358,345	484,375	(5,745,388)	37,538,314