

**First Citizens Bank Limited And Its Subsidiaries
(A Subsidiary of First Citizens Holdings Limited)**

Unaudited Condensed Consolidated Financial Statements
(Expressed in Trinidad and Tobago dollars)

Six Months Ended 31 March 2014

First Citizens Bank Limited and its Subsidiaries

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**First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For the Six Months ended 31 March 2014**

Chairperson's Report

The Directors are pleased to announce that the First Citizens Group has concluded another half year of consistent earnings. Profit after tax increased by 4.7 % to \$320.8 million in March 2014 as compared to the corresponding period last year. Year on year we experienced loan growth of 3.1% to \$11.6 billion, while total assets as at March 2014 amounted to \$35.8 billion, which is consistent with the prior year.

The Group's half year performance was particularly noteworthy in light of current market conditions which continue to be marked by a contraction in business lending, high liquidity, lack of investment opportunities and low interest rates.

In light of the early signs of economic recovery and the Group's ongoing focus on risk management, operational efficiency and stakeholder engagement, the Directors and Management remain confident of sustained growth and profitability for fiscal 2014.

On the basis of this period's performance, the Directors have approved an interim dividend of 57 cents per ordinary share payable on 29 May 2014 to shareholders on record as at 2 May 2014.



Nyree Alfonso
Chairperson
23 April 2014

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2014 (stated In Trinidad and Tobago Dollars)

	Unaudited Mar-14 \$'000	Restated Unaudited Mar 13 \$'000	Restated Audited Sep-13 \$'000
ASSETS			
Cash and Statutory Deposits	8,352,992	7,887,310	8,874,633
Financial Assets			
- Investments	12,199,332	12,866,232	11,888,316
- Loans and receivables less allowance for loan losses:			
Loans to customers	11,568,291	11,223,898	11,518,469
Loans Notes	2,504,828	2,573,071	2,535,980
Other assets	379,703	521,690	461,618
Investment in joint ventures & associates	143,688	136,826	138,879
Property, plant and equipment	456,894	438,219	456,618
Intangible asset	211,120	211,120	211,120
TOTAL ASSETS	35,816,848	35,858,366	36,085,633
LIABILITIES			
Customers' deposits and other funding instruments	27,435,427	26,664,418	25,633,204
Due to other banks	86,501	81,090	71,815
Due to parent	-	-	1,045,693
Creditors and accrued expenses	746,227	838,151	859,951
Debt securities in issue	1,456,530	2,450,062	2,451,566
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	29,782,685	30,091,721	30,120,229
SHAREHOLDERS' EQUITY			
Share capital	643,557	643,557	643,557
Statutory reserve	669,717	666,132	669,717
Fair Value reserve	1,276,379	1,161,882	1,254,412
Retained earnings	3,444,510	3,295,074	3,397,718
SHAREHOLDERS' EQUITY	6,034,163	5,766,645	5,965,404
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,816,848	35,858,366	36,085,633

The notes on pages 7 to 11 form an integral part of these consolidated financial statements.

On 23 April 2014, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director



Director



FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
As at 31 March 2014 (stated in Trinidad and Tobago Dollars)

	Unaudited		Unaudited		Restated
	Three months ended		Six months ended		Audited
	Mar-14	Mar-13	Mar-14	Mar-13	Sep-13
	\$'000	\$'000	\$'000	\$'000	\$'000
Net interest income	283,780	297,426	576,989	579,235	1,157,823
Other income	138,318	116,277	274,265	246,616	475,941
Total net income	422,098	413,703	850,254	825,851	1,633,764
Impairment Expenses net recoveries	(6,427)	(9,186)	(18,549)	(19,976)	(18,243)
Expenses	(229,531)	(219,258)	(439,803)	(422,045)	(882,117)
Operating profit	186,140	185,259	391,902	383,830	733,404
Share of profit in associates and joint venture	2,349	1,520	8,218	4,885	11,350
Profit before taxation	188,489	186,779	400,120	388,715	744,754
Taxation	(42,568)	(48,627)	(79,353)	(82,269)	(135,620)
Profit after taxation	145,921	138,152	320,767	306,446	609,134
Earnings Per Share					
Basic			\$1.28	\$1.26	\$2.41
Weighted Average Number of Share					
Basic			251,354	243,877	251,354

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2014
(stated in Trinidad and Tobago Dollars)

	Unaudited		Unaudited		Restated
	Three months ended		Six months ended		Audited
	Mar-14	Mar-13	Mar-14	Mar-13	Sep-13
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit after taxation	145,921	138,152	320,767	306,446	609,134
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	(1,353)	(435)	(3,342)	--	(5,024)
Revaluation of property, plant and equipment	--	184	--	184	844
Remeasurement of Defined Benefit Liability	--	4,289	--	4,289	57,455
	<u>(1,353)</u>	<u>4,038</u>	<u>(3,342)</u>	<u>4,473</u>	<u>53,275</u>
Items may be classified to profit or loss					
Exchange difference on translation	1,257	1,353	4,348	770	13,937
Revaluation of available-for-sale assets & property	15,725	(48,558)	20,941	(15,644)	14,922
	<u>16,982</u>	<u>(47,205)</u>	<u>25,289</u>	<u>(14,874)</u>	<u>28,859</u>
	<u>15,629</u>	<u>(43,167)</u>	<u>21,947</u>	<u>(10,401)</u>	<u>82,134</u>
Total comprehensive income	161,550	94,986	342,714	296,045	691,268

FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period ended 31 March 2014 (stated in Trinidad and Tobago Dollars)

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2013	643,557	669,717	1,254,412	3,397,718	5,965,404
Total Comprehensive income	-	-	21,967	320,767	342,734
Dividends	-	-	-	(273,975)	(273,975)
Balance at 31 March 2014	643,557	669,717	1,276,379	3,444,510	6,034,163
Balance at 1 October 2012	643,557	666,132	1,172,283	3,267,083	5,749,055
Adjustment due to change in policy (note 3)	-	-	-	(278,455)	(278,455)
Restated Balance as at 1 October 2012	643,557	666,132	1,172,283	2,988,628	5,470,600
Total Comprehensive income	-	-	(10,401)	306,446	296,045
Balance at 31 March 2013	640,000	662,132	1,161,882	3,295,074	5,766,645
Balance at 1 October 2012	643,557	666,132	1,172,283	3,267,083	5,749,055
Adjustment due to change in policy (note 3)	-	-	-	(278,455)	(278,455)
Restated Balance as at 1 October 2012	643,557	666,132	1,172,283	2,988,628	5,470,600
Total Comprehensive income	-	-	82,129	609,139	691,268
Dividends	-	-	-	(196,464)	(196,464)
Transfer to statutory reserve	-	3,585	-	(3,585)	-
Balance at 30 September 2013	643,557	669,717	1,254,412	3,397,718	5,965,404

**FIRST CITIZENS BANK LIMITED AND ITS SUBSIDIARIES
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
Period ended 31 March 2014 (stated in Trinidad and Tobago Dollars)**

	Unaudited Mar-14 \$'000	Unaudited Mar-13 \$'000	Restated Audited Sep-13 \$'000
Cash Flow From Operating Activities			
Profit before taxation	400,120	388,715	744,754
Adjustments to reconcile profit to net cash provided by operating activities:			
Cashflows from operating activities before changes in operating assets and liabilities	37,977	61,532	99,209
Changes in operating assets and liabilities:			
Net change in loans to customers	438,097	450,247	843,963
Net change in customers' deposits and other funding	(65,927)	(918,001)	(1,223,787)
Net change in other assets	1,802,223	1,730,985	699,772
Net change in statutory deposits with Central Bank	(1,010,227)	87,273	1,229,348
Net change in creditors and accrued expenses	1,371,802	(762,666)	(2,292,179)
Taxes paid	(140,854)	28,176	83,233
	(45,281)	(94,668)	(214,226)
Net cash flow from operating activities	2,349,833	521,346	(873,876)
Cash Flows From Investing Activities			
Net change in investments	(240,206)	(317,028)	750,409
Net change in loan notes	31,152	34,838	71,688
Net change in short-term investments	4,321	(163,619)	210,687
Proceeds from disposal of property, plant and equipment	-	110	632
Purchase of property, plant and equipment	(27,949)	(22,792)	(68,788)
	(232,682)	(468,491)	964,628
Cash Flows From Financing Activities			
Net change of debt securities	(1,000,000)	-	--
Dividend paid	(273,975)	-	(196,464)
Net cash flow from financing activities	(1,273,975)	-	(196,464)
Effect of exchange rate changes	(3,380)	(5,964)	(6,002)
Net cash (decrease)/increase in cash and cash equivalents	839,796	46,893	(111,714)
Cash and cash equivalents at beginning of year	1,909,129	2,020,843	2,020,843
Cash and cash equivalents at end of period	2,748,925	2,067,736	1,909,129
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	8,352,992	7,887,310	8,874,633
Statutory Deposits	(5,367,185)	(5,209,474)	(6,738,987)
Due to other banks	(86,501)	(81,091)	(71,815)
Short Term Investments (Maturity over 3 months)	(150,381)	(529,009)	(154,702)
	2,748,925	2,067,736	1,909,129

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Six Months ended 31 March 2014

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). During 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	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%

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Six Months ended 31 March 2014

Notes to the Condensed Consolidated Interim Financial Statements

2 Basis of preparation

The Interim financial statements for the six months period ended 31 March 2014, 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 statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 September 2013, except for the adoption of IAS 19 Revised-Employee Benefits.

Retirement benefit asset/liabilities

The Group adopted IAS 19-Revised, which is mandatory for the 2014 financial statements. IAS 19 *Employee Benefits* (Revised), requires the recognition of accumulated losses arising from experience adjustments and changes in the actuarial assumptions in respect of prior years, resulting in the restatement of 2012 and 2013 as noted in the table below:-

	Retirement Benefit Assets /(Liability)	Retained Earnings	Other Comprehensive Income	Deferred tax	Total Assets	Total Equity
Previously reported on Balance Sheet as at September 2013	179,493	3,673,579	1,196,957	317,935	36,265,126	6,183,810
IAS 19 Adjustment 2012	(278,455)	(278,455)	-	-	(278,455)	(278,455)
Reclass from asset to liability 2013	-	-	-	-	19,762	-
IAS 19 Adjustment 2013	76,606	-	57,455	19,151	76,606	57,455
IAS 19 Adjustment 2013 Pension Cost	2,594	2,594	-	-	2,594	2,594
Restatement September 2013	(19,762)	3,397,718	1,254,412	337,086	36,085,633	5,965,404

Comparative Information

Comparative amounts in the Consolidated Income Statement have been restated to conform to presentation changes in the current period.

4 Commitments

	March 2014 \$'000	March 2013 \$'000	Sept 2013 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts amount to:	<u>11,175</u>	<u>35,361</u>	<u>17,955</u>
Credit Commitments			
Commitments for loans approved not yet disbursed amount to:	<u>671,006</u>	<u>156,776</u>	<u>973,522</u>

First Citizens Bank Limited and its Subsidiaries
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For Six Months ended 31 March 2014

Notes to the Condensed Consolidated Interim Financial Statements

5 Related Party Transactions

(a) Directors and key management personnel

	March	March	Sept
	2014	2013	2013
	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	17,766	19,473	34,817
Loans and receivables	22,103	13,029	13,980
Interest income	557	353	597
Customers' Deposits	17,390	6,096	4,849
Interest expense	65	47	104
Other Funding instruments	1,457	1,470	1,470
Interest expense-Other funding	18	19	134

(b) Transactions with associate

Loans and receivables	79,655	95,285	87,321
Interest income	2,957	3,556	6,781

(c) Transactions with Parent

Customers' Deposit	1,382	1,535	2,049
Long-term notes	58,000	58,000	58,000
Loan Note	46,927	49,534	46,927
Interest income on loan notes	2,691	2,990	5,846
Due to Parent	--	--	1,045,693

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Six Months ended 31 March 2014

Notes to the Consolidated Financial Statements

5 Related Party Transactions (cont'd)

(d) Government of the Republic of Trinidad and Tobago

	March	March	Sept
	2014	2013	2013
	\$'000	\$'000	\$'000
Assets			
Loan notes	582,127	650,613	616,370
Notes receivable from Central Bank	1,875,773	1,872,924	1,872,683
Due from GORTT	--	153,413	27,331
Liabilities			
Due to GORTT	111,316	126,170	124,400
Interest Income			
Loan notes	35,344	42,261	76,784
Notes receivable from Central Bank	11,911	14,705	26,535

(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:

	March	March	Sept
	2014	2013	2013
	\$'000	\$'000	\$'000
Loans to customers	2,528,960	2,890,156	3,168,788
Interest income	88,323	103,467	158,439
Customers' deposits	9,026,227	8,027,721	8,445,724
Interest expense	11,652	16,917	26,521
Investments	6,035,389	5,282,562	4,701,071
Investment income	150,163	132,525	288,767
Other funding instruments	1,540,718	2,783,569	1,938,858
Interest expense	5,794	35,746	63,095

First Citizens Bank Limited and its Subsidiaries
Unaudited Financial Statements
For Six Months ended 31 March 2014

Notes to the Consolidated Financial Statements

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 used by the Executive and Senior Management is as follows:-

Period ended 31 March 2014	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	533,390	461,413	94,310	2,702	(241,561)	850,254
Profit Before Taxation	296,209	338,363	76,826	(83,692)	(227,586)	400,120
Total Assets	14,119,109	23,835,535	312,216	745,464	(3,195,476)	35,816,848
Restated Period ended 31 March 2013	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
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	24,715,893	381,691	866,624	(3,619,523)	35,858,366
Restated Year ended 30 September 2013	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group functions \$'000	Eliminations \$'000	Total \$'000
Total Net Income	1,057,700	540,508	194,566	4,879	(163,889)	1,633,764
Profit Before Taxation	576,012	317,133	159,613	(162,469)	(145,535)	744,754
Total Assets	13,677,037	27,569,780	412,124	145,711	(5,719,019)	36,085,633