

First Citizens Bank Limited and its Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 30 JUNE 2016
(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 \$159.5 million. This brings our profit after taxation for the nine months to June 2016 to \$492.9 million, an increase of approximately 2.2% as compared to the corresponding period last year.

The total assets amounted to \$38.4 billion, which represents growth of 2.3% during the nine month period to June 2016. Cash and Statutory Deposit and the Investments portfolio increased by 30.2% and 6.4% respectively. Our deposit base also reflected a significant increase of 15.2%.

We will continue to focus on treasury management and cost containment strategies for the rest of this year. Our balance sheet is well capitalised and shows strong liquidity buffers and diversified funding base.

On April 26, 2016, Standard and Poor's re-affirmed our investment grade rating of BBB+ for the institution.

We are indeed very proud of our achievements during the period. 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
Chairman
25 July 2016

Condensed Consolidated Interim Statement of Financial Position

	Unaudited Jun-16 \$'000	Unaudited Jun-15 \$'000	Audited Sep-15 \$'000
ASSETS			
Cash and Statutory Deposits	8,651,840	7,386,484	6,644,774
Financial Assets			
- Investments	14,424,275	12,853,326	13,555,952
- Loans and receivables less allowance for loan losses:			
Loans to customers	13,534,670	12,660,858	13,831,123
Loans notes	479,048	2,418,153	2,158,054
Other assets	446,280	482,454	469,265
Investment in joint ventures & associates	158,257	153,419	158,570
Property, plant and equipment	485,619	483,975	486,325
Intangible assets	236,048	200,292	234,251
TOTAL ASSETS	38,416,037	36,638,961	37,538,314
LIABILITIES			
Customers' deposits and other funding instruments	29,651,206	27,480,529	25,744,145
Due to other banks	218,730	28,495	200,911
Creditors and accrued expenses	591,382	797,550	3,281,794
Debt securities in issue	1,400,000	1,926,835	1,927,574
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	31,919,318	30,291,409	31,212,424
SHAREHOLDERS' EQUITY			
Share capital	643,557	643,557	643,557
Statutory reserve	675,726	672,768	675,726
Fair value reserve	1,112,834	1,249,735	1,080,102
Retained earnings	4,064,602	3,781,492	3,926,505
SHAREHOLDERS' EQUITY	6,496,719	6,347,552	6,325,890
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	38,416,037	36,638,961	37,538,314

On 25th July, 2016, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director:

Director:

Condensed Consolidated Interim Income Statement

	Unaudited Three months ended		Unaudited Nine months ended		Audited Sep-15
	Jun-16 \$'000	Jun-15 \$'000	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Net interest income	327,742	294,714	947,392	872,303	1,168,932
Other income	163,209	131,697	536,830	423,440	594,418
Total net income	490,951	426,411	1,484,222	1,295,743	1,763,350
Impairment expenses net recoveries	(18,439)	752	(65,405)	(21,001)	(4,549)
Expenses	(267,495)	(242,579)	(797,655)	(688,620)	(984,013)
Operating profit	205,017	184,584	621,162	586,122	774,788
Share of profit in associates and joint venture	4,031	5,522	10,462	11,953	15,993
Profit before taxation	209,048	190,106	631,624	598,075	790,781
Taxation	(49,532)	(33,490)	(138,710)	(115,608)	(160,343)
Profit after taxation	159,516	156,616	492,914	482,467	630,438
Earnings Per Share - Basic			\$1.96	\$1.92	\$2.51
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-15
	Jun-16 \$'000	Jun-15 \$'000	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Profit after taxation	159,516	156,616	492,914	482,467	630,438
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	(982)	(25,372)	(2,909)	(27,827)	(4,011)
Remeasurement of Defined Benefit Liability	-	-	-	-	(51,305)
Revaluation of property, plant and equipment net of tax	32,954	-	32,954	(6,464)	25,249
	31,972	(25,372)	30,045	(34,291)	(30,067)
Items may be classified to profit or loss					
Exchange difference on translation	15,569	(458)	57,212	3,567	(1,580)
Transfer of net realised gain to current year income	(12,319)	5,802	(38,386)	(12,847)	(27,465)
Revaluation of available-for-sale assets & property	34,436	2,503	(16,139)	(30,664)	(184,756)
	37,686	7,847	2,687	(39,994)	(213,801)
Total other comprehensive income	69,658	(17,525)	32,732	(74,235)	(243,868)
Total comprehensive income	229,174	139,091	525,646	408,232	386,570

Condensed Consolidated Statement of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserves \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
Balance at 1 October 2015	643,557	675,726	1,080,102	3,926,505	6,325,890
Total comprehensive income	-	-	32,732	492,914	525,646
Dividends	-	-	-	(354,817)	(354,817)
Balance at 30 June 2016	643,557	675,726	1,112,834	4,064,602	6,496,719
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 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 Jun-16 \$'000	Unaudited Jun-15 \$'000	Audited Sep-15 \$'000
Cash Flow From Operating Activities			
Profit before taxation	631,624	598,075	790,781
Adjustments to reconcile profit to net cash provided by operating activities:	120,575	121,847	86,438
Cash flows from operating activities before changes in operating assets and liabilities	752,199	719,922	877,219
Changes in operating assets and liabilities:			
Net change in loans to customers	239,038	(1,508,867)	(2,663,472)
Net change in customers' deposits and other funding	3,907,061	1,782,670	46,286
Net change in other assets	(8,052)	(123,790)	(123,782)
Net change in statutory deposits with Central Bank	(827,491)	360,863	985,549
Net change in creditors and accrued expenses	(2,668,069)	15,003	2,526,668
Taxes paid	(118,058)	(154,113)	(195,326)
Net cash flow from operating activities	1,276,601	1,091,688	1,453,142
Cash Flows From Investing Activities			
Net change in investments	(913,809)	(1,238,931)	(2,128,896)
Net change in loan notes	1,679,006	36,848	296,947
Net change in short-term investments	(151,118)	302,505	311,888
Proceeds from disposal of property, plant and equipment	790	7,768	7,150
Purchase of property, plant and equipment	(55,768)	(59,788)	80,706
	559,101	(951,598)	(1,593,617)
Cash Flows From Financing Activities			
Net change of debt securities	(527,574)	(21,102)	(18,195)
Dividend paid	(354,817)	(302,033)	(302,033)
Net cash flow from financing activities	(882,391)	(323,135)	(320,228)
Effect of exchange rate changes	57,326	1,105	(1,294)
Net cash (decrease)/increase in cash and cash equivalents	1,010,637	(181,940)	(461,997)
Cash and cash equivalents at beginning of year	1,720,431	2,182,428	2,182,248
Cash and cash equivalents at end of period	2,731,068	2,000,488	1,720,431
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	8,651,840	7,386,484	6,644,774
Statutory Deposits	(5,250,747)	(5,047,941)	(4,423,255)
Due to other banks	(218,730)	(28,495)	(200,911)
Short Term Investments (Maturity over 3 months)	(451,295)	(309,560)	(300,177)
	2,731,068	2,000,488	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). 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 also has investment in the following entities:

Entity	Nature of operations	Country of incorporation	Ownership interest
Infolink 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 2016, 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

	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts:	13,795	8,430	15,390
Credit Commitments			
Commitments for loans approved not yet disbursed:	678,415	698,648	507,033

5. Related Party Transactions

(a) Directors and key management personnel

	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Salaries and other short-term employee benefits	35,514	26,985	28,610
Loans and receivables	28,476	20,234	18,778
Interest income	835	759	1,019
Customers' deposits	13,314	12,663	10,355
Interest expense	113	128	168
Other Funding instruments	739	1,121	1,383
Interest expense-Other funding	21	24	31

(b) Transactions with associate

	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Loans and receivables	41,068	55,113	55,113
Interest income	2,759	3,489	4,496

(c) Transactions with Parent

	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Customers' deposit	4,226	3,433	2,408
Long-term notes	58,000	58,000	58,000
Loan note	33,892	39,106	36,499
Interest income on loan notes	3,076	3,513	4,647
Due from parent	3,444	3,157	2,935

(d) Government of the Republic of Trinidad and Tobago

Assets	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Loan notes	445,156	513,642	479,399
Notes receivable from Central Bank	--	1,865,403	1,642,156
Liabilities			
Due to GORTT	22,974	99,614	18,141
Interest Income			
Loan notes	40,404	46,144	61,033
Notes receivable from Central Bank	2,723	16,591	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:

	Jun-16 \$'000	Jun-15 \$'000	Sep-15 \$'000
Loans to customers	2,987,556	2,896,082	2,775,833
Interest income	144,705	143,110	181,186
Customers' deposits	8,296,145	7,149,576	5,985,807
Interest expense	15,304	9,965	16,315
Investments	7,967,521	7,504,586	7,247,805
Investment income	192,107	198,119	233,079
Other funding instruments	440,351	1,492,081	885,084
Interest expense	4,348	9,367	3,650

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

Period ended	Retail & Corporate Banking \$'000	Treasury & Investments Banking \$'000	Trustee & Asset Management \$'000	Group Functions \$'000	Eliminations \$'000	Total \$'000
30 June 2016						
Total Net Income	898,680	601,425	162,280	3,506	(181,669)	1,484,222
Profit Before Taxation	474,061	367,179	129,394	(155,733)	(183,277)	631,624
Total Assets	17,789,692	21,509,857	400,338	444,890	(1,728,740)	38,416,037
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
30 September 2015						
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