

First Citizens Bank Limited and its Subsidiaries

(A Subsidiary of First Citizens Holdings Limited)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 March 2016

(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 quarter. Profit after taxation for the three months ended March 31st 2016, amounted to approximately \$153.5M. This brought the year to date profit for the six months to \$333.4M which represents an increase by 2.4% as compared to the corresponding period in 2015. Total assets amounted to \$37.9B which represents growth of 1.0% during the six month period to March 2016.

During the last six months customer deposits grew by approximately 13.5% to \$29.2B. These funds along with our strong capital base has positioned First Citizens for future lending in the domestic market and within the region. Additionally, in February 2016, First Citizens repaid our US\$175M international fixed rate bond, which resulted in an improved efficiency in our Treasury Operations. We will continue to focus on treasury management and cost containment strategies for the rest of this year.

Our earnings per share increased by 3 cents to \$1.33 for the six month period to March 31st 2016. Based on this performance, the Board has declared an interim dividend of 66 cents per ordinary share. This dividend payment represents an increase over the interim dividend of 58 cents paid last year. The dividend will be paid on May 27th to shareholders on record as at May 12th, 2016.

We continue to monitor very closely the current environment and the resulting impact on economic activities. Notwithstanding, First Citizens will continue to focus on strengthening its balance sheet and measures to improve its efficiency and diversification of its product lines.

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
25th April 2016

Condensed Consolidated Interim Statement Of Financial Position

	Unaudited Mar -16 \$'000	Unaudited Mar - 15 \$'000	Audited Sep-15 \$'000
ASSETS			
Cash and statutory deposits	8,112,391	6,599,628	6,644,774
Financial assets			
- Investments	14,082,955	12,550,613	13,555,952
- Loans and receivables less allowance for loan losses:			
Loans to customers	13,418,884	12,911,795	13,831,123
Loans notes	952,916	2,423,565	2,158,054
Other assets	445,903	437,521	469,265
Investment in joint ventures & associates	161,200	151,883	158,570
Property, plant and equipment	470,669	480,584	486,325
Intangible asset	238,825	201,276	234,251
Defined benefit asset	-	51,481	-
TOTAL ASSETS	37,883,743	35,808,346	37,538,314
LIABILITIES			
Customers' deposits and other funding instruments	29,218,095	26,676,468	25,744,145
Due to other banks	202,174	22,374	200,911
Creditors and accrued expenses	572,035	762,386	3,281,794
Debt securities in issue	1,400,000	1,929,303	1,927,574
Notes due to related companies	58,000	58,000	58,000
TOTAL LIABILITIES	31,450,304	29,448,531	31,212,424
SHAREHOLDERS' EQUITY			
Share capital	643,557	643,557	643,557
Statutory reserve	675,726	672,768	675,726
Fair value reserve	1,043,176	1,273,062	1,080,102
Retained earnings	4,070,980	3,770,428	3,926,505
SHAREHOLDERS' EQUITY	6,433,439	6,359,815	6,325,890
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,883,743	35,808,346	37,538,314

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

On 25 April 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 Six months ended		Audited
	Mar-16 \$'000	Mar-15 \$'000	Mar-16 \$'000	Mar-15 \$'000	Sep-15 \$'000
Net interest income	316,532	290,929	619,650	577,590	1,168,932
Other income	181,809	150,222	373,623	293,684	594,418
Total net income	498,341	441,151	993,273	871,274	1,763,350
Impairment Expenses net recoveries	(18,156)	(11,704)	(46,965)	(21,753)	(4,549)
Expenses	(278,807)	(237,681)	(530,161)	(448,216)	(984,013)
Operating profit	201,378	191,766	416,147	401,305	774,788
Share of profit in associates and joint venture	1,179	1,627	6,431	6,431	15,993
Profit before taxation	202,557	193,393	422,578	407,736	790,781
Taxation	(49,032)	(45,434)	(89,179)	(82,118)	(160,343)
Profit after taxation	153,525	147,959	333,399	325,618	630,438
Earnings Per Share					
Basic			\$1.33	\$1.30	\$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 Six months ended		Audited
	Mar-16 \$'000	Mar-15 \$'000	Mar-16 \$'000	Mar-15 \$'000	Sep-15 \$'000
Profit after taxation	153,525	147,959	333,399	325,618	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	(914)	(1,346)	(1,927)	(2,455)	(4,011)
Remeasurement of Defined Benefit Liability	--	--	--	(6,464)	(51,305)
Revaluation of property, plant and equipment net of tax	--	--	--	--	25,249
	(914)	(1,346)	(1,927)	(8,919)	(30,067)
Items may be classified to profit or loss					
Exchange difference on translation	21,007	(1,201)	41,643	4,025	(1,580)
Transfer of net realised gain to current year income	(13,528)	(5,058)	(26,067)	(7,045)	(27,465)
Revaluation of available-for-sale assets & property	(16,629)	(27,708)	(50,575)	(38,969)	(184,756)
	(9,150)	(33,967)	(34,999)	(41,989)	(213,801)
Total other comprehensive income	(10,064)	(35,313)	(36,926)	(50,908)	(243,868)
Total comprehensive income	143,461	112,646	296,473	274,710	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	--	--	(36,926)	333,399	296,473
Dividends	--	--	--	(188,924)	(188,924)
Balance at 31 March 2016	643,557	675,726	1,043,176	4,070,980	6,433,439
Balance at 1 October 2014	643,557	672,768	1,323,970	3,601,058	6,241,353
Total comprehensive income	--	--	(50,908)	325,618	274,710
Dividends	--	--	--	(156,248)	(156,248)
Balance at 31 March 2015	643,557	672,768	1,273,062	3,770,428	6,359,815
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

First Citizens Bank Limited and its Subsidiaries

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 31 MARCH 2016

(Expressed In Trinidad And Tobago Dollars)



First Citizens

Condensed Consolidated Statement of Cash Flow

	Unaudited Mar-16 \$'000	Unaudited Mar-15 \$'000	Audited Sep-15 \$'000
Cash Flow From Operating Activities			
Profit before taxation	422,578	407,736	790,781
Adjustments to reconcile profit to net cash provided by operating activities:			
Cashflows from operating activities before changes in operating assets and liabilities	74,927	71,231	86,438
Changes in operating assets and liabilities:			
Net change in loans to customers	369,446	(1,767,869)	(2,663,472)
Net change in customers' deposits and other funding	3,473,950	978,609	46,286
Net change in other assets	1,885	(116,788)	(123,782)
Net change in statutory deposits with Central Bank	(250,767)	865,514	985,549
Net change in creditors and accrued expenses	(2,709,164)	(22,797)	2,526,668
Taxes paid	(81,358)	(110,160)	(195,326)
Net cash flow from operating activities	1,301,497	305,476	1,453,142
Cash Flows From Investing Activities			
Net change in investments	(500,936)	(909,820)	(2,128,896)
Net change in loan notes	1,205,138	31,436	296,947
Net change in short-term investments	(17,366)	231,646	311,888
Proceeds from disposal of property, plant and equipment	1,865	4,922	7,150
Purchase of property, plant and equipment	(34,149)	(36,894)	(80,706)
	654,552	(678,710)	(1,593,617)
Cash Flows From Financing Activities			
Net change of debt securities	(527,574)	--	(18,195)
Dividend paid	(188,924)	(156,248)	(302,033)
Net cash flow from financing activities	(716,498)	(156,248)	(320,228)
Effect of exchange rate changes	(41,330)	599	(1,294)
Net cash (decrease)/increase in cash and cash equivalents	1,198,221	(528,883)	(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	2,918,652	1,653,545	1,720,431
REPRESENTED BY:-			
Cash and due from banks and Statutory Deposits	8,112,391	6,599,627	6,644,774
Statutory Deposits	(4,674,022)	(4,543,289)	(4,423,255)
Due to other banks	(202,174)	(22,374)	(200,911)
Short Term Investments (Maturity over 3 months)	(317,543)	(380,419)	(300,177)
	2,918,652	1,653,545	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 six months period ended 31 March 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

Capital Commitments

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

Credit Commitments

Commitments for loans approved not yet disbursed:

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

(b) Transactions with associate

Loans and receivables

Interest income

(c) Transactions with Parent

Customers' deposit

Long-term notes

Loan note

Interest income on loan notes

Due from parent

(d) Government of the Republic of Trinidad and Tobago

Assets

Loan notes

Notes receivable from Central Bank

Liabilities

Due to GORTT

Interest Income

Loan notes

Notes receivable from Central Bank

(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 2016 \$'000	March 2015 \$'000	September 2015 \$'000
Loans to customers	2,849,233	2,327,503	2,775,833
Interest income	91,975	74,512	181,186
Customers' deposits	8,023,307	11,818,695	5,985,807
Interest expense	8,960	11,158	16,315
Investments	9,168,077	6,473,539	7,247,805
Investment income	173,825	126,550	233,079
Other funding instruments	1,140,906	1,147,799	885,084
Interest expense	7,658	6,072	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 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
31 March 2016						
Total Net Income	594,098	394,845	109,579	2,373	(107,622)	993,273
Profit Before Taxation	311,351	228,229	87,209	(103,761)	(100,450)	422,578
Total Assets	17,895,714	21,081,335	391,380	475,700	(1,960,386)	37,883,743
31 March 2015						
Total Net Income	535,230	787,731	113,517	2,648	(567,852)	871,274
Profit Before Taxation	295,348	671,185	94,518	(91,144)	(562,171)	407,736
Total Assets	15,163,061	22,876,783	361,734	715,783	(3,309,015)	35,808,346
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