



# First Citizens

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 DECEMBER 2013  
(Expressed In Trinidad And Tobago Dollars)

## First Citizens Bank Limited and its Subsidiaries

### Chairperson's Report

The First Citizens Group has concluded another profitable quarter. Profit after tax increased by 3.9% to \$174.8 million in December 2013 over the corresponding period last year. The Group experienced a year on year growth of 4.4% with the total assets of \$36.2 billion as at December 2013. During the period, Standard and Poor's completed their annual review and re-affirmed the investment grade rating of BBB+ for the Institution.

The Group's first quarter performance was particularly noteworthy in light of current market conditions which continue to be marked by high liquidity and low interest rates.

Given 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.

Nyree Alfonso  
Chairperson  
5 February 2014

### Condensed Consolidated Interim Income Statement

	Unaudited Three months ended Dec-13 \$'000	Unaudited Dec-12 \$'000	Audited Sep-13 \$'000
<b>Net interest income</b>	<b>292,209</b>	<b>281,809</b>	<b>1,157,823</b>
Other income	135,947	130,040	475,941
<b>Total net income</b>	<b>428,156</b>	<b>411,849</b>	<b>1,633,764</b>
Impairment Expenses net recoveries	(12,122)	(10,790)	(18,243)
Expenses	(210,273)	(202,787)	(884,711)
<b>Operating profit</b>	<b>205,761</b>	<b>198,272</b>	<b>730,810</b>
Share of profit in associates and joint venture	5,869	3,665	11,350
<b>Profit before taxation</b>	<b>211,630</b>	<b>201,937</b>	<b>742,160</b>
Taxation	(36,785)	(33,642)	(135,620)
<b>Profit after taxation</b>	<b>174,845</b>	<b>168,295</b>	<b>606,540</b>
<b>Earnings Per Share</b>			
Basic	\$0.70	\$0.71	\$2.41
<b>Weighted Average Number of Share</b>			
Basic	251,354	236,400	251,354

### Condensed Consolidated Interim Statement Of Financial Position

	Unaudited Dec-13 \$'000	Unaudited Dec-12 \$'000	Audited Sep-13 \$'000
<b>ASSETS</b>			
Cash and Statutory Deposits	8,426,361	5,995,127	8,874,633
Financial Assets			
- Investments	12,577,112	13,428,792	11,888,316
- Loans and receivables less allowance for loan losses:			
Loans to customers	11,397,028	11,048,279	11,518,469
Loans Notes	2,539,070	2,609,921	2,535,980
Other assets	284,597	573,616	461,618
Investment in joint ventures & associates	141,343	135,424	138,879
Property, plant and equipment	457,538	438,516	456,618
Intangible asset	211,120	211,120	211,120
Defined benefit asset	169,195	228,659	179,493
<b>TOTAL ASSETS</b>	<b>36,203,364</b>	<b>34,669,454</b>	<b>36,265,126</b>
<b>LIABILITIES</b>			
Customers' deposits and other funding instruments	26,576,977	25,119,450	25,633,204
Due to other banks	98,153	85,992	71,815
Due to parent	-	-	1,045,693
Creditors and accrued expenses	649,419	1,006,521	821,038
Debt securities in issue	2,455,842	2,449,375	2,451,566
Notes due to related companies	58,000	58,000	58,000
<b>TOTAL LIABILITIES</b>	<b>29,838,391</b>	<b>28,719,338</b>	<b>30,081,316</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	643,557	643,557	643,557
Statutory reserve	669,861	666,132	669,717
Fair Value reserve	1,203,275	1,205,049	1,196,957
Retained earnings	3,848,280	3,435,378	3,673,579
<b>SHAREHOLDERS' EQUITY</b>	<b>6,364,973</b>	<b>5,950,116</b>	<b>6,183,810</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>36,203,364</b>	<b>34,669,454</b>	<b>36,265,126</b>

On 5 February 2014, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director

Director

### Condensed Consolidated Statement Of Comprehensive Income

	Unaudited Three months ended Dec-13 \$'000	Unaudited Dec-12 \$'000	Audited Sep-13 \$'000
<b>Profit for the year</b>	<b>174,845</b>	<b>168,295</b>	<b>606,540</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be classified to Profit or Loss</b>			
Amortization of gains on held to maturity assets transferred from available for sale net of tax	(1,989)	435	(5,024)
Reevaluation of property, plant and equipment net of tax	--	--	844
	(1,989)	435	(4,180)
<b>Items that may be reclassified to Profit or Loss</b>			
Exchange difference on translation	3,091	(583)	13,937
Reevaluation of available-for-sale assets & property	5,216	32,914	14,922
	8,307	32,331	28,859
<b>Total Other Comprehensive Income</b>	<b>6,318</b>	<b>32,766</b>	<b>24,679</b>
<b>Total comprehensive income for the year</b>	<b>181,163</b>	<b>201,061</b>	<b>631,219</b>

### Condensed Consolidated Statement Of Changes In Equity

	Share Capital \$'000	Statutory Reserve \$'000	Other Reserve \$'000	Retained Earnings \$'000	Shareholders' Equity \$'000
<b>Balance at 30 September 2013</b>	<b>643,557</b>	<b>669,717</b>	<b>1,196,957</b>	<b>3,673,579</b>	<b>6,183,810</b>
Total Comprehensive income	-	-	6,318	174,845	181,163
Transfer to statutory reserve	-	144	-	(144)	-
<b>Balance at 31 December 2013</b>	<b>643,557</b>	<b>669,861</b>	<b>1,203,275</b>	<b>3,848,280</b>	<b>6,364,973</b>
<b>Balance at 30 September 2012</b>	<b>643,557</b>	<b>666,132</b>	<b>1,172,283</b>	<b>3,267,083</b>	<b>5,749,055</b>
Total Comprehensive income	-	-	32,766	168,295	201,061
<b>Balance at 31 December 2012</b>	<b>643,557</b>	<b>666,132</b>	<b>1,205,049</b>	<b>3,435,378</b>	<b>5,950,116</b>
<b>Balance at 30 September 2012</b>	<b>643,557</b>	<b>666,132</b>	<b>1,172,283</b>	<b>3,267,083</b>	<b>5,749,055</b>
Total Comprehensive income	-	-	24,674	606,545	631,219
Dividends	-	-	-	(196,464)	(196,464)
Transfer to statutory reserve	-	3,585	-	(3,585)	-
<b>Balance at 30 September 2013</b>	<b>643,557</b>	<b>669,717</b>	<b>1,196,957</b>	<b>3,673,579</b>	<b>6,183,810</b>



# UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED 31 DECEMBER 2013 (Expressed In Trinidad And Tobago Dollars)

**First Citizens**

**First Citizens Bank Limited and its Subsidiaries**

## Condensed Consolidated Statement Of Cash Flow

	Unaudited Dec-13 \$'000	Unaudited Dec-12 \$'000	Audited Sep-13 \$'000
<b>Cash Flow From Operating Activities</b>			
Profit before taxation	211,630	201,937	742,160
Adjustments to reconcile profit to net cash provided by operating activities:			
by operating activities:	11,816	126,886	101,803
Cashflows from operating activities before changes in operating assets and liabilities	<b>223,446</b>	<b>328,823</b>	<b>843,963</b>
Changes in operating assets and liabilities:			
Net change in loans to customers	118,543	(736,508)	(1,223,787)
Net change in customers' deposits and other funding	943,773	186,018	699,772
Net change in other assets	(880,416)	(25,314)	1,229,348
Net change in statutory deposits with Central Bank	648,580	587,203	(2,292,179)
Net change in creditors and accrued expenses	(186,705)	204,538	83,233
Taxes paid	141	(67,533)	(214,226)
<b>Net cash flow from operating activities</b>	<b>867,362</b>	<b>477,227</b>	<b>(873,876)</b>
<b>Cash Flows From Investing Activities</b>			
Net change in investments	(680,118)	(805,506)	750,409
Net change in loan notes	-	-	71,688
Net change in short-term investments	(401,284)	(177,834)	210,687
Proceeds from disposal of property, plant and equipment	-	-	632
Purchase of property, plant and equipment	(14,462)	(6,807)	(68,788)
<b>Net cash flow from investing activities</b>	<b>(1,095,864)</b>	<b>(990,147)</b>	<b>964,628</b>
<b>Cash Flows From Financing Activities</b>			
Dividend paid	-	-	(196,464)
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>(196,464)</b>
Effect of exchange rate changes	1,188	(1,620)	(6,002)
<b>Net cash (decrease)/increase in cash and cash equivalents</b>	<b>(227,314)</b>	<b>(514,540)</b>	<b>(111,714)</b>
Cash and cash equivalents at beginning of year	1,909,129	2,020,843	2,020,843
<b>Cash and cash equivalents at end of period</b>	<b>1,681,815</b>	<b>1,506,303</b>	<b>1,909,129</b>
<b>REPRESENTED BY:-</b>			
Cash and due from banks and Statutory Deposits	8,426,361	5,995,127	8,874,633
Statutory Deposits	(6,090,407)	(3,859,605)	(6,738,987)
Due to other banks	(98,153)	(85,992)	(71,815)
Short Term Investments (Maturity over 3 months)	(555,986)	(543,227)	(154,702)
<b>Net cash and cash equivalents</b>	<b>1,681,815</b>	<b>1,506,303</b>	<b>1,909,129</b>

## 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 August 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 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 three months period ended 31 December 2013, 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 2013.

### 4 COMMITMENTS

	December 2013 \$'000	December 2012 \$'000	September 2013 \$'000
<b>Capital Commitments</b>			
Capital expenditure approved by the Directors but not provided for in these accounts:	5,394	24,688	17,955
<b>Credit Commitments</b>			
Commitments for loans approved not yet disbursed:	1,072,190	533,926	973,522

### 5 RELATED PARTY TRANSACTIONS

	December 2013 \$'000	December 2012 \$'000	September 2013 \$'000
<b>(a) Directors and key management personnel</b>			
Salaries and other short-term employee benefits	7,941	7,245	34,817
Loans and receivables	17,391	12,637	13,980
Interest income	209	159	597
Customers' Deposits	5,070	7,634	4,849
Interest expense	26	46	104
Other Funding instruments	1,446	1,496	1,470
Interest expense-Other funding	9	10	134
<b>(b) Transactions with associate</b>			
Loans and receivables	79,655	95,285	87,321
Interest income	1,549	1,831	6,781
<b>(c) Transactions with parent</b>			
Customers' Deposit	7,837	1,524	2,079
Long-term notes payable	58,000	58,000	58,000
Loan Note receivable	46,927	52,141	46,927
Interest income on loan notes	1,360	1,511	5,846
Due to parent company	--	--	1,045,693

### (d) Government of the Republic 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:

	December 2013 \$'000	December 2012 \$'000	September 2013 \$'000
<b>Assets</b>			
Loan notes	616,370	684,856	616,370
Notes receivable from Central Bank	1,875,773	1,872,924	1,872,683
Due from GORTT	27,467	223,157	27,331
<b>Liabilities</b>			
Due to GORTT	124,400	135,207	124,400
<b>Interest Income</b>			
Loan notes	17,866	19,851	76,784
Notes receivable from Central Bank	6,447	7,415	26,535

### (e) Other transactions with the Government of the Republic 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:

	December 2013 \$'000	December 2012 \$'000	September 2013 \$'000
Loans to customers	2,515,494	2,613,511	3,168,788
Interest income	45,065	47,397	158,439
Customers' deposits	9,452,727	7,363,214	8,445,724
Interest expense	6,332	5,782	26,521
Investments	6,352,454	5,504,716	4,701,071
Investment income	76,934	79,423	288,767
Other funding instruments	1,021,355	2,158,633	1,938,858
Interest expense	1,623	4,398	63,095

### 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 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
<b>Period ended 31 December 2013</b>						
<b>Total Net Income</b>	269,566	113,856	50,834	1,481	(7,581)	428,156
<b>Profit Before Taxation</b>	158,730	49,152	42,309	(40,579)	2,018	211,630
<b>Total Assets</b>	13,580,564	25,603,073	370,695	231,065	(3,582,033)	36,203,364
<b>Period ended 31 December 2012</b>						
<b>Total Net Income</b>	268,310	99,035	45,895	1,139	(2,530)	411,849
<b>Profit Before Taxation</b>	162,812	35,727	37,402	(38,675)	4,671	201,937
<b>Total Assets</b>	13,109,451	24,935,014	410,290	286,076	(4,071,377)	34,669,454
<b>Year ended 30 September 2013</b>						
<b>Total Net Income</b>	1,057,700	540,508	194,566	4,879	(163,889)	1,633,764
<b>Profit Before Taxation</b>	576,012	317,133	159,613	(165,063)	(145,535)	742,160
<b>Total Assets</b>	13,677,037	27,569,780	412,124	325,204	(5,719,019)	36,265,126