(A company incorporated in the Republic of Trinidad and Tobago and continued under the provisions of the Companies Act Chap 81:01 of the Revised Laws of Trinidad and Tobago)

PROSPECTUS

Offer for sale of 48,495,665 ordinary shares of no par value at $22 per share payable in full on application.

The Trinidad and Tobago Securities and Exchange Commission (SEC) has not in any way evaluated the merits of the securities offered hereunder, and the Issuer so represents in accordance with Section 117 of the Securities Act, 2012 of the Laws of the Republic of Trinidad and Tobago.

Vision

To become the most competitive financial services group
in the markets in which we serve.

Mission

Our aim is to build a highly profitable financial services franchise
renowned for innovativeness, service excellence and
sound corporate governance.

No underwriter has been involved in the distribution or performed any review of the contents of this Prospectus.

An application has been made to the Trinidad and Tobago Stock Exchange (TTSE) to list 100% of the issued ordinary share capital of First Citizens Bank Limited. However, this statement is not to be construed as a guarantee that the shares so offered will be listed.

This Prospectus has been seen and approved by the directors of the Issuer and the Offeror and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

No securities will be distributed under this prospectus later than one year and 20 days after the date of issue of the receipt for the prospectus from the Trinidad and Tobago Securities and Exchange Commission (SEC) in keeping with Section 83(4) of the Securities Act, 2012.

July 15, 2013

DEFINITIONS

The definitions set out below apply throughout this document unless the context requires otherwise.

AAT	Association of Accounting Technicians
ACCA	Association of Chartered Certified Accountants
ATM	Automatic Teller Machine
By-Laws	By-Laws of the Issuer
CAD	Canadian Dollars
CAGR	Compound Annual Growth Rate
CBTT/ the Central Bank	Central Bank of Trinidad and Tobago
CMMB	Caribbean Money Market Brokers Limited
Companies Act	Companies Act, Chap 81:01
COSO	Committee of Sponsoring Organisations of the Treadway Commission
Directors	Directors of First Citizens Bank Limited
ERM	Enterprise Risk Management
EUR	Euros
FIA	Financial Institutions Act Chap 79:09
FCAM	First Citizens Asset Management Limited
FCBAS	First Citizens Brokerage & Advisory Services Limited
FCBBL	First Citizens Bank (Barbados) Limited
FCBL/First Citizens	First Citizens Bank Limited
FCCR	FCCR First Citizens Costa Rica S.A.
FCHL	First Citizens Holdings Limited
FCIS	First Citizens Investment Services Limited
FCISBL	First Citizens Investment Services (Barbados) Limited
FCFSL	First Citizens Financial Services (St. Lucia) Limited
FCSL	First Citizens (St. Lucia) Limited
FCSTL	First Citizens Securities Trading Limited
FCTSL	First Citizens Trustee Services Limited
First Citizens Group/the Group	First Citizens Bank Limited and its local and foreign subsidiaries

DEFINITIONS (continued)

FY	Financial Year ended September 30
GBP	Great Britain Pounds
GORTT/the Government	Government of the Republic of Trinidad and Tobago
Issuer	First Citizens Bank Limited
NCB	The National Commercial Bank of Trinidad and Tobago Limited
NIB	National Insurance Board
Registrar	The Registrar whose name is set out in Section 1 or such other persons as may be appointed by First Citizens Bank Limited from time to time to provide the services of Registrar to the Issuer
SA, 2012	the Securities Act, 2012
SEC	The Trinidad and Tobago Securities and Exchange Commission
TCB	Trinidad Co-operative Bank Limited
The Offer	Offer by FCBL of 48,495,665 ordinary shares of no par value
The Offeror	First Citizens Holdings Limited
The Offer Price	$22 per share
TTIPS	Trinidad & Tobago Inter Bank Payment System Limited
TTSE	The Trinidad and Tobago Stock Exchange Limited
US	United States of America
USD	United States Dollars
UWI	University of the West Indies
VAT	Value Added Tax
VaR	Value at Risk
Workers' Bank	Workers' Bank (1989) Limited
$	Trinidad and Tobago Dollars

FORWARD-LOOKING STATEMENT

This Prospectus contains forward-looking statements, which are statements that are not based on historical information including, without limitation, statements regarding future financial position and results of operations, business strategy, budgets, projected costs and plans and objectives of management for future operations. Forward-looking statements reflect the Issuer's current views with respect to future events. The words "anticipate", "believe", "expect", "plan", "estimate", "intend", "will", "may", "should", "forecast", "project" and similar expressions identify forward-looking statements. There is significant risk that these predictions and other forward-looking statements will not prove to be accurate. Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Issuer and historical results and market data may not be indicative of future results and market prospects. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties such as but not limited to the following:

- political, economic and other conditions and developments in Trinidad & Tobago and globally;
- the actual rates of growth, if any, in gross domestic product (GDP) and other economic indicators of Trinidad & Tobago in any relevant year or other period;
- changes in interest rates or exchange rates;
- governmental, statutory, regulatory or administrative initiatives affecting banks, financial institutions and other businesses in Trinidad & Tobago;
- actions or decisions made by the Government, as the Group's controlling shareholder;
- economic, financial and other developments involving the Government which may have an adverse effect on the First Citizens Group;
- competition from other banks and financial institutions;
- levels of non-performing loans, adequacy of allowance for loan losses, values of security and collateral, and other developments affecting the Issuer's loan and asset portfolios;
- the effectiveness of the Group's risk management processes and strategies;
- the Group's ability to successfully expand its banking and financial services operations in the Caribbean region outside of Trinidad & Tobago as well as in Central America;
- technological changes affecting the Issuer's industry;
- breaches or violations in the Issuer's computer systems and network infrastructure; and
- loss of key personnel.

Readers are also asked to carefully review the "Risk Factors" section in this Prospectus for a more complete discussion of the risks of an investment in the ordinary shares. The Issuer disclaims any obligation or undertaking to update publicly or revise any forward-looking statement contained in this Prospectus, whether as a result of new information, future events or otherwise.

TABLE OF CONTENTS

1. CORPORATE INFORMATION

FIRST CITIZENS BANK LIMITED

Chairperson	Ms. Nyree D. Alfonso; LLB, LEC, LLM
Group Chief Executive Officer	Mr. Larry Nath; BBA, MSIA
Group Company Secretary	Ms. Sharon Christopher; LLB, LLM, LEC, Acc. Dir. 9, Queen's Park East, Port of Spain
Registered Office	9, Queen's Park East, Port of Spain Tel: (868) 624-3178 Fax: (868) 624-5981 Website address: www.firstcitizenstt.com
Attorneys-at-Law	Pollonais, Blanc, de la Bastide & Jacelon Pembroke Court, 17-19, Pembroke Street, Port of Spain Tel: (868) 623-7496 / (868) 623-7496 Fax: 624-5644; 625-8415/4076 Website: www.polanc.com Email: polanc@trinidad.net
Auditors	PricewaterhouseCoopers Chartered Accountants 11-13, Victoria Avenue, Port of Spain Tel: (868) 299-0700 Fax: (868) 623-6025 Website: www.pwc.com/tt

1. CORPORATE INFORMATION (continued)

PRINCIPAL OPERATING SUBSIDARIES

First Citizens Asset Management Limited
50, St. Vincent Street,
Port of Spain,
Trinidad
Tel: (868) 623-9092-7
Fax: (868) 625-2349

Board of Directors
Mr. Rishi Baddaloo – Chairman
Ms. Feona Lue Ping Wa – Deputy Chairperson
Ms. Sharon L. Christopher – Corporate Secretary
Ms. Marlene Juman
Mr. Narinejit Pariag
Ms. Susan Ramano-Davis
Mr. Anil Seeterram

First Citizens Trustee Services Limited
45, Abercromby Street,
Port of Spain,
Trinidad
Tel: (868) 623-9091-7
Fax: (868) 627-6426

Board of Directors
Mr. Anthony Mohammed – Chairman
Ms. Sharon L. Christopher – Director/Corporate Secretary
Ms. Cindy Bhagwandeen
Mr. Shiva Manraj
Mr. Vishnu D. K. Musai

First Citizens Securities Trading Limited
45, Abercromby Street,
Port of Spain,
Trinidad
Tel: (868) 624-3178
Fax: (868) 623-3393

Board of Directors
Mr. Ved Seereeram – Chairman
Ms. Sharon L. Christopher – Corporate Secretary
Mr. Larry Nath
Mr. Ramish Ramanand
Mr. Dirk Smith

First Citizens (St. Lucia) Limited
6, Brazil Street,
Castries,
St. Lucia
Tel: (758) 452-5111-3
Fax: (758) 452-5114

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Mr. Michael Chastanet
Ms. Sharon L. Christopher
Mr. Shiva Manraj
Mr. Anthony Mohammed
Mr. Larry Nath
BDO – Corporate Secretary[1]

First Citizens Financial Services (St. Lucia) Limited
1st Floor, 6, Brazil Street,
Castries,
St. Lucia
Tel: (758) 450-5111-3
Fax: (758) 451-5114

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Mr. Michael Chastanet
Ms. Sharon L. Christopher
Mr. Shiva Manraj
Mr. Anthony Mohammed
Mr. Larry Nath
BDO – Corporate Secretary[1]

[1] BDO is an international accounting firm located at Mercury Court, Choc Estate, Castries, St. Lucia; Tel: (758) 452 2500; Fax (758) 452 7317; Website: www.bdocaribbean.com

1. CORPORATE INFORMATION (continued)

PRINCIPAL OPERATING SUBSIDARIES (continued)

First Citizens Investment Services Limited
17, Wainwright Street,
St. Clair,
Trinidad
Tel: (868) 622-3247
Fax: (868) 627-5496
www.firstcitizensinvestment.com

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Ms. Sharon L. Christopher – Director/Corporate Secretary
Mrs. Shobee Jacelon
Ms. Marlene Juman
Mr. Larry Nath
Mr. Ved Seereeram
Mr. Anil Seeterram

First Citizens Brokerage & Advisory Services Limited
17, Wainwright Street,
St. Clair,
Trinidad
Tel: (868) 678-7311
Fax: (868) 627-2980
www.firstcitizensinvestment.com

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Ms. Sharon L. Christopher – Director/Corporate Secretary
Mr. Anil Seeterram
Mr. Larry Nath
Mrs. Shobee Jacelon
Ms. Marlene Juman
Mr. Ved Seereeram

First Citizens Investment Services (Barbados) Limited
Warrens Great House,
Warrens,
St. Michael,
Barbados
Tel: (246) 417-6810
Fax: (246) 421-2140
www.firstcitizensinvestment.com

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Ms. Sharon L. Christopher – Director/Corporate Secretary
Dr. Trevor A. Carmichael Q.C.
Mrs. Shobee Jacelon
Ms. Marlene Juman
Mr. Larry Nath
Mr. Ved Seereeram
Mr. Anil Seeterram

First Citizens Bank (Barbados) Limited
1st Floor, Carlisle House,
Hincks Street,
Bridgetown,
Barbados
Tel: (246) 431-4500
Fax: (246) 421-2421
www.firstcitizensbb.com

Board of Directors
Ms. Nyree D. Alfonso – Chairperson
Ms. Sharon L. Christopher – Director/Corporate Secretary
Dr. Trevor A. Carmichael Q.C.
Mrs. Shobee Jacelon
Ms. Marlene Juman
Ms. Renee Kowlessar
Mr. Ved Seereeram
Mr. Peter Williams

FCCR First Citizens Costa Rica S.A.
Oficentro Eurocenter 1,
Barreal de Heredia,
Costa Rica

Board of Directors
Ms. Nyree D. Alfonso – President
Mr. Anil Seeterram – Vice President
Ms. Sharon L. Christopher – Director/Corporate Secretary
Mr. Shiva Manraj – Comptroller
Mr. Larry Nath – Treasurer
Ms. Cindy Bhagwandeen
Mr. Ved Seereeram

1. CORPORATE INFORMATION (continued)

LISTING OF PERSONS INVOLVED IN THE ISSUE

Bankers to the Issue	First Citizens Bank Limited 9, Queens Park East, Port of Spain Tel: (868) 624-3178 Fax: (868) 624-5981 Website: www.firstcitizenstt.com
Corporate Finance Consultants	PricewaterhouseCoopers Advisory Services Limited 11-13, Victoria Avenue, Port of Spain Tel: (868) 299-0700 Fax: (868) 623-6025 Website: www.pwc.com/tt
Lead Stockbroker	First Citizens Brokerage & Advisory Services Limited 17, Wainwright Street, St. Clair Tel: (868) 678-7311 Fax: (868) 627-2930 Website: www.firstcitizensinvestment.com
Legal Advisers	Pollonais, Blanc, de la Bastide & Jacelon Pembroke Court, 17-19, Pembroke Street, Port of Spain Tel: (868) 623-7496 / (868) 623-7496 Fax: 624-5644; 625-8415/4076 Website: www.polanc.com Email: polanc@trinidad.net
Registrar	The Trinidad and Tobago Central Depository Limited 10th Floor, Nicholas Towers, 63-65, Independence Square, Port of Spain Tel: (868) 627-1674
Reporting Accountants	PricewaterhouseCoopers Chartered Accountants 11-13, Victoria Avenue, Port of Spain Tel: (868) 299-0700 Fax: (868) 623-6025 Website: www.pwc.com/tt
Stock Exchange	The Trinidad and Tobago Stock Exchange Limited 10th Floor, Nicholas Towers, 63-65, Independence Square, Port of Spain Tel: (868) 625-5107-9 Fax: (868) 623-0089 Website: www.stockex.co.tt

1. CORPORATE INFORMATION (continued)

LISTING OF PERSONS INVOLVED IN THE ISSUE (continued)

AUTHORISED STOCK BROKERS

AIC Securities Limited	Maritime Financial Services Centre, Maritime Plaza, Barataria Tel: (868) 638-0226 Fax: (868) 675-3288 Website: www.aic.tt
Bourse Brokers Limited	96, Maraval Road, Port of Spain Tel: (868) 628-9100 Fax: (868) 622-1603 Website: www.bourseinvestment.com
Caribbean Stockbrokers Limited	2nd Floor, 67, Independence Square, Port of Spain Tel: (868) 624-4415, (868) 624-8178 Fax: (868) 625-9258
Republic Securities Limited	2nd Floor, Promenade Centre, 72, Independence Square, Port of Spain Tel: (868) 623-0435 Fax: (868) 623-0441 Website: www.rsltt.com
Scotia Investments Trinidad and Tobago Limited	4th Floor, Scotia Centre, 56-58, Richmond Street, Port of Spain Tel: (868) 625-3566 Fax: (868) 625-4405 Website: www.scotiabank.com/tt
West Indies Stockbrokers Limited	St. Clair Place, 8, Sweet Briar Road, Port of Spain Tel: (868) 628-9473 Fax: (868) 622-5002 Website: www.wiseequities.com

2. INFORMATION SUMMARY

This Summary highlights information contained in the Prospectus and may not contain all the information that may be important to prospective purchasers. Readers are advised to read the entire Prospectus prior to deciding whether to invest in the shares being distributed.

OVERVIEW

The First Citizens Group is one of the leading financial services groups in Trinidad & Tobago and the Caribbean region. The Issuer conducts a broad range of banking and financial services activities, including consumer banking, corporate and commercial banking, wealth and asset management, capital market transactions, trustee and brokerage services and currently has ten active subsidiaries. First Citizens Bank Limited, a full service bank, is the largest part of the Group and has an extensive retail branch network in Trinidad & Tobago with a large deployment of ATM and point-of-sale service in both islands.

Over the past five years, the Group has grown substantially both in terms of assets and profitability due to both organic growth and through undertaking strategic expansion initiatives as follows:

- In 2009, the Issuer acquired Caribbean Money Market Brokers Limited (CMMB) (now rebranded as First Citizens Investment Services Limited), one of the largest, full service securities trading companies in the Caribbean, with offices in Trinidad & Tobago, Barbados, St. Vincent and the Grenadines and St. Lucia.
- In January 2012, the Group entered the Central American market by opening a representative office in Costa Rica.
- The Group's growth and expansion continued in August 2012, with the acquisition of Butterfield Bank (Barbados) Limited (now First Citizens Bank (Barbados) Limited).

This expansion initiative helps to round out the services that the Group offers its customers, both local and regional, making it possible for the Issuer to better address the financial and investment needs of its customer base. Additionally, the expansion provides a physical footprint for the Group in the Caribbean and Central American region.

For the year ended September 30, 2012, the Group recorded a profit before tax of $714.2 million - a compound annual growth rate (CAGR) of 9% from 2008.

This growth in earnings has been principally driven by:

- 21% CAGR in Total Assets;
- 12% CAGR in Total Loans; and
- CAGR of 27% in Investments.

The Group continues to grow profits and is well capitalized with a capital/assets ratio of 16.9%, as at September 30, 2012. As at that date, the Group's Capital Adequacy Ratio (ratio of Tier 1 capital to risk weighted assets) stood at 58.0%. Tier 1 capital refers to share capital, retained earnings and reserves created by appropriations of retained earnings.

Summary Financial Data

TTD in millions

As at September 30	2008	2009	2010	2011	2012
Total Assets	15,843	27,714	29,534	31,160	34,033
Total Funding	12,351	22,702	23,989	25,626	27,382
Shareholders' Equity	2,672	4,098	4,900	5,146	5,749
Total Loans	6,456	7,432	8,432	8,800	10,326
Investments	4,121	12,458	12,938	12,448	12,568
Profit Before Tax	503	621	671	688	714
Non-Performing Loans/Total Loans	0.80%	1.03%	1.16%	4.55%	4.56%
Efficiency Ratio	43.70%	40.46%	44.89%	46.74%	49.53%
Capital Assets	16.90%	14.80%	16.60%	16.50%	16.90%

2. INFORMATION SUMMARY (continued)

OVERVIEW (continued)

The Issuer is the highest-rated, indigenous financial institution in the English-speaking Caribbean, with long-term foreign currency counterparty credit ratings of Baa1 from Moody's Investors Service (Moody's) and BBB+ from Standard and Poor's (September 2012). Both Moody's and Standard and Poor's are global companies that provide credit ratings and other services to investors worldwide. The Group has successfully issued fixed income securities, which were over-subscribed in the international financial markets, with the most recent being a USD175 million placement in February 2011[2].

In 2012, the Issuer won *Best Bank World Finance Banking Award – Trinidad & Tobago* (The Banker Magazine), and was named among the Top 5 Safest Banks in Latin America and the Caribbean (Global Finance).

Other awards bestowed on the Issuer over the years include "the safest bank in the English-speaking Caribbean" in 2012, 2011 and 2010 (Global Finance Magazine); Best Bank in Trinidad & Tobago 2010 (World Finance); Bank of The Year 2009 (The Banker Magazine, Latin Finance and World Finance).

Over the years, the Group has introduced a number of innovations in Trinidad & Tobago, including internet banking and mobile banking. It has also been recognised on several occasions for excellence in innovation, communications technology and e-commerce by the local Energy Chamber of Trinidad and Tobago. Additionally, the Issuer has been involved in financing a number of landmark projects in Trinidad & Tobago and across the region.

CORPORATE STRUCTURE

The Issuer is a majority owned (96.5%) subsidiary of First Citizens Holdings Limited (FCHL), a company wholly owned directly by the Corporation Sole and its nominees from time to time on behalf of the Government of the Republic of Trinidad and Tobago (GORTT). FCHL was established by GORTT as the entity that would own its investment in the Issuer. The other shareholders of the Issuer are the National Insurance Board (1.1%) and CB Services (2.4%)[3].

The Issuer has eight, direct, wholly-owned operating subsidiaries, namely:

1. First Citizens Asset Management Limited
2. First Citizens Investment Services Limited (which has two wholly owned subsidiaries; First Citizens Brokerage and Advisory Services Limited, and First Citizens Investment Services (Barbados) Limited)
3. First Citizens Bank (Barbados) Limited
4. First Citizens Securities Trading Limited
5. First Citizens Trustee Services Limited
6. First Citizens Financial Services (St. Lucia) Limited
7. First Citizens (St. Lucia) Limited
8. FCCR First Citizens Costa Rica SA (a service company and representative office)

The Issuer also owns interests in two joint ventures incorporated in Trinidad & Tobago, namely, Infolink Services Limited (25%) and Trinidad & Tobago Inter Bank Payment System Limited (14.29%). The Issuer also has a 19% investment in an associated company, St. Lucia Electricity Services Limited, a company incorporated under the laws of St. Lucia.

[2] The notes under this issue were offered to qualified institutional buyers under Rule 144A of the US Securities Act and to persons outside the United States under Regulation S of the US Securities Act.
[3] CB Services is 100% owned by the Central Bank of Trinidad and Tobago

2. INFORMATION SUMMARY (continued)

OVERVIEW OF PRINCIPAL ACTIVITIES

The First Citizens Group—defined as the First Citizens Bank Limited and its subsidiaries—conducts a broad range of banking and financial service activities throughout Trinidad & Tobago, with limited offerings via operations in Barbados, Costa Rica, St. Lucia and St. Vincent and the Grenadines. Its principal activities are outlined as follows:

Lending and Deposits

The provision of corporate, commercial and retail loans, deposit and other retail services, including credit card accounts, internet, and telephone banking, is done in Trinidad & Tobago via a network of 26 full service banking locations, one foreign exchange bureau, seven operations centres and 96 ATM machines. In Barbados, these services are provided via five branches, one lending center and eight ATMs located in branches formerly of Butterfield Bank (Barbados) Limited. In Costa Rica, the provision of corporate loans is done via a centralised corporate banking team that covers both Costa Rica and the Central American region.

Regional Footprint Map

Legend:

■ Countries where the Issuer has a presence

2. INFORMATION SUMMARY (continued)

OVERVIEW OF PRINCIPAL ACTIVITIES (continued)

Map of the Issuer's Network

Non-Lending and Deposits

The Issuer provides other financial services including trustee, asset management, merchant banking, securities trading, capital markets, structuring advisory and wealth management services. These services are offered through First Citizens Trustee Services Limited, First Citizens Asset Management Limited, First Citizens Securities Trading Limited and First Citizens Investment Services Limited (via its operations in Trinidad & Tobago, St. Lucia and St. Vincent and the Grenadines and its subsidiary in Barbados).

2. INFORMATION SUMMARY (continued)

OVERVIEW OF PRINCIPAL ACTIVITIES (continued)

BOARD OF DIRECTORS AND SENIOR OFFICERS

The Issuer's current (i.e. as at the date of this Prospectus) Board of Directors and Senior Management team are listed as follows:

Name	**Position**
Board of Directors	
Ms. Nyree D. Alfonso	Chairperson
Mr. Anil Seeterram	Deputy Chairman
Mr. Larry Nath	Group CEO
Ms. Sharon L. Christopher	Group Corporate Secretary
Mr. Rishi Baddaloo	Director
Ms. Cindy Bhagwandeen	Director
Mrs. Shobee Jacelon	Director
Ms. Marlene Juman	Director
Mr. Anthony Mohammed	Director
Mr. Vishnu D. K. Musai	Director
Mr. Ramish Ramanand	Director
Mr. Ved Seereeram	Director
Executive Management Team	
Mr. Larry Nath	Group Chief Executive Officer
Ms. Sharon L. Christopher	Deputy Chief Executive Officer – Corporate Administration
Mr. Jason Julien	General Manager – First Citizens Investment Services Limited
Mr. Robin Lewis	General Manager – Retail and Commercial Banking
Mr. H. Philip Rahaman	Group Chief Risk Officer
Senior Management Team	
Ms. Rosemary Alves	Corporate Manager – Group Operations and Process Improvement
Ms. Lindi Ballah-Tull	Head – Legal and Compliance
Mr. Felipe Castro	Regional Manager, Central America
Mr. Raymond Crichton	Assistant General Manager – Credit Risk and Administration
Ms. Avril Edwards	Corporate Manager – Electronic Banking
Mr. Glyne Harrison	Chief Executive Officer (Ag) – First Citizens Bank (Barbados) Limited
Mr. Harjoon Heeralal	Corporate Manager – Group Corporate Planning
Ms. Marie Iton	Assistant General Manager – Human Resources
Mr. Shiva Manraj	Chief Financial Officer
Mr. Christopher Sandy	General Manager – First Citizens Trustee Services Limited
Mr. Dirk Smith	Corporate Manager – Treasury/International Trade Centre
Mr. Warren Sookdar	Chief Information Officer – Information and Communications Technology
Mr. Waltnel Sosa	Corporate Manager – Strategic Initiatives/Projects
Mr. Anthony St. Clair	Chief Internal Auditor – Group Internal Audit
Mr. Kurt Valley	General Manager – First Citizens Asset Management Limited
Mr. Brian Woo	Assistant General Manager – Corporate Banking Unit

CURRENCY

Unless otherwise stated, all dollar values included within the Prospectus are expressed in Trinidad & Tobago dollars.

3. DETAILS OF THE DISTRIBUTION

GENERAL INFORMATION

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the Offer for Sale of ordinary shares. If such information or representation is given or made, the information or representations must not be relied on as having been authorised by the Directors other than as set out in this Prospectus. This Prospectus is intended for use in Trinidad & Tobago, but is also available for review by employees of the Group in St. Lucia, St. Vincent and the Grenadines and Barbados. The review of this Prospectus is not to be construed as an offer of any of these ordinary shares for subscription in St. Lucia, St. Vincent and the Grenadines or Barbados, unless such an offer could be lawfully made to him/her without contravention of any registrations or other legal requirements.

PURPOSE OF THE OFFER

In his October 10, 2011 Budget Statement, the Honourable Minster of Finance stated that steps would be taken by GORTT to place 20% of its shareholdings in the Issuer via a Public Offering. This statement was made pursuant to disclosures made in the FY 2011 Budget Statement which outlined a capital markets programme which would seek to widen and deepen the domestic capital market as a means of expanding the domestic economy and in the process improving productivity and generating quality jobs through:

1. Promoting efficiency by exposing businesses and services to the greatest possible competition;
2. Spreading share ownership as widely as possible among the population as well as encouraging greater participation by nationals in the ownership of state enterprises; and
3. Obtaining the best value for each enterprise which is sold by the Government.

The divestment of a portion of GORTT's interest in the Issuer should therefore provide investors with a long-term investment in the banking sector, add to total stock market capitalisation and at the same time dampen inflationary pressures.

SHARE CAPITAL OF THE BANK

Stated Capital Accounts

As at March 31, 2013, the stated capital of the Issuer stood at $643,557,000 comprising:

	TTD
251,353,562 ordinary shares of no par value	539,957,000
42,500,000 Class A preference shares of no par value	42,500,000
61,100,000 Class B preference shares of no par value	61,100,000
	643,557,000

The Company is authorised to issue an unlimited number of ordinary shares of no par value.

3. DETAILS OF THE DISTRIBUTION (continued)

Ordinary Shares are held as follows:

Shareholder	Number of Ordinary Shares	%
First Citizens Holdings Limited[4]	242,478,325	96.5
C.B. Services[5]	6,000,000	2.4
National Insurance Board[6]	2,875,237	1.1
Total	251,353,562	100.0

As of March 31, 2013, the Issuer had outstanding 42,500,000 Class A preference shares without par value and 61,100,000 Class B preference shares without par value, all of which are non-voting and non-participatory. Class A preference shares have a cumulative annual dividend rate of 4%. Class B preference shares have a cumulative annual dividend rate of 2%. Both the Class A and Class B preference shares are non-convertible and non-redeemable. The following table identifies the holders of preference shares at March 31, 2013:

Shareholder	Number of Class A Preference Shares	%	Number of Class B Preference Shares	%
National Insurance Board	42,500,000	100	—	—
First Citizens Holdings Limited	—	—	48,500,000	79
Central Bank of Trinidad and Tobago	—	—	12,600,000	21
Total	42,500,000	100	61,100,000	100

SECURITIES BEING OFFERED

The Issuer is offering 20% of the issued ordinary shares held by FCHL comprising 48,495,665 ordinary shares of no par value at $22 per share payable in full on application. This offer would represent 19.3% of the Issuer's issued ordinary shares of no par value after issue. The ordinary shares under offer are registered in the name of the Issuer and will rank equally with all other issued ordinary shares of the Issuer.

After the successful completion of this public offer, the shareholding in the Issuer (excluding any allocations to NIB) will be as follows:

Ordinary Shares	Number of Shares	% Interest
National Insurance Board[7]	2,875,237	1.1%
C.B. Services	6,000,000	2.4%
Shares subject to the Offer	48,495,665	19.3%
FCHL	193,982,660	77.2%
Total Shares	251,353,562	100%

The ordinary shares are being offered to employees, whether located in Trinidad & Tobago or in St. Vincent and the Grenadines, Barbados or St. Lucia, individual investors who are nationals of Trinidad & Tobago, institutional investors, the NIB, registered Mutual Funds and the Trinidad and Tobago Unit Trust Corporation, pensions and other trust funds, credit unions and co-operatives, companies registered in Trinidad & Tobago and to other investors such as the Commonwealth Development Corporation and the trustees, from time to time, of the Caribbean Investment Fund. The basis of allocation in the event of an over subscription, and the discount to the offer price applicable to employees of the Issuer, is detailed under Section 25 - *Subscription Information*.

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[4] First Citizens Holdings Limited is 100% owned by GORTT

[5] CB Services is 100% owned by the Central Bank of Trinidad and Tobago

[6] National Insurance Board of Trinidad and Tobago is a body corporate established by Act of Parliament No. 35 of 1971, responsible for the operation and administration of the country's National Insurance System

[7] NIB is eligible to participate in the offer, however their final shareholding will only be known post offer

3. DETAILS OF THE DISTRIBUTION (continued)

DISTRIBUTION KEY DATES

The following key dates with regards to the distribution should be noted:

1.	Commencement date for the Offer for Sale of ordinary shares	July 15, 2013
2.	Final date for lodging applications (or later at the discretion of the Issuer)	August 9, 2013
3.	Notification of allotment of securities	August 30, 2013
4.	Electronic transfer of refunds via Automated Clearing House (ACH)	August 30, 2013
5.	Expected listing date	September 6, 2013

The offer will open on July 15, 2013 at 9am, and will close at 4pm on August 9, 2013 or later, at the discretion of the Directors of the Issuer, but in any event no later than 120 days after the date of the receipt for the Prospectus in keeping with Section 83(4) of the SA, 2012.

PRICING

The Offer Price per ordinary share is $22, payable in full at the time of application.

In determining the public offering price of the ordinary shares, the Issuer and the brokers considered a number of factors including:

- The information set forth in this Prospectus and otherwise available to the brokers;
- The prospects for the industry in which the Issuer competes;
- The overall economic prospects of Trinidad & Tobago;
- The assessment of the Issuer's management;
- The Issuer's prospects for future financial performance;
- The recent market prices of, and demand for, publicly traded shares of generally comparable companies;
- The general condition of the securities markets, and the offering market in particular, at the time of the offering; and
- Other factors deemed relevant by the Issuer, the Offeror and the brokers.

Neither the Issuer, the Offeror nor the brokers can assure investors that an active trading market will develop for the ordinary shares, or that the ordinary shares will trade in the public market at or above the public offering price.

USE OF PROCEEDS

The Issuer is expected to incur approximately $13.6 million in total expenses relating to this Offer.

The net proceeds from the issue will be a minimum of approximately $1.05 billion after the deduction of transaction expenses as outlined above, but before employee discounts. The proceeds will be paid to FCHL for its shares which are the subject of this offer. Thereafter, it is expected that GORTT will receive the benefit of this disposition from its shareholding.

3. DETAILS OF THE DISTRIBUTION (continued)

The following are the material attributes and characteristics of the ordinary shares to be distributed.

DIVIDEND POLICY

The dividend policy of the Issuer will be to distribute to its ordinary shareholders funds surplus to the operating capital and strategic requirements of the Group, as determined by the Directors, with an annual target dividend payout percentage range between 45% to 55% of net profit after tax but subject always to:

- The solvency requirements of the Companies Act;
- Any capital restriction requirements under the FIA;
- Any banking or other funding covenants by which the Issuer is bound from time to time;
- The operating, capital and strategic requirements referred to above in this dividend policy.

Changes to target dividend payout percentage. The target dividend payout percentage set out above will not be changed without the prior approval of the Directors.

Frequency of payments to shareholders. The Issuer will pay dividends, subject to the above noted requirements, twice per year. An interim dividend for the financial year will be paid based on the six months financial results to March 31 and the final dividend will be paid following the approval of the audited financial statements of that year.

VOTING AND OTHER RIGHTS

The ordinary shares have the following rights attached to them:

1. the right to vote at all meetings of shareholders except meetings at which only holders of a specified class of shares are entitled to vote;
2. subject to the rights, privileges, restrictions and conditions attached to any other class or series of shares of the Issuer, to receive dividends declared and payable by the Issuer on the ordinary shares; and
3. subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Issuer, to receive the remaining property of the Issuer upon dissolution.

The Class A preference shares and the Class B preference shares have attached the right to receive dividends declared and the distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Issuer or any other return of capital or distribution of assets of the Issuer. In addition, there is an ability on the part of the Issuer to issue Class A and Class B preference shares in series which will rank in parity with preference shares of every other series and also be entitled in priority to the ordinary shares issued by the Issuer on any such said distribution of assets or return of capital.

RIGHTS UPON DISSOLUTION OR WINDING-UP

The Issuer's By-Law 129 provides that in the event that the Issuer is wound up, the surplus assets available for distribution among the ordinary shareholders shall be applied towards repaying the ordinary shareholders the amount paid up on their shares and where assets are more than sufficient to repay the whole amount paid up on their shares, then the balance shall be distributed among them in the like proportion.

STATUTORY FUND

The Second Schedule of the Insurance Act, 1980 provides, among other things, that ordinary shares of a company incorporated in Trinidad & Tobago, which, during a period of five years prior to the date of purchase, has either paid a dividend in each year or has had earnings in each such year available for the payment of a dividend, will qualify as an eligible asset in which the Statutory Funds of Insurance Companies and Pension Fund Plans might invest. The Central Bank will provide confirmation of same, prior to the listing of the Issuer pursuant to this Offer for Sale.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP

HISTORICAL INFORMATION

The Issuer was organised under the laws of the Republic of Trinidad and Tobago in March 1993 by GORTT. FCBL was established with the objective of acquiring and taking over, as a going concern, the business and assets of Workers' Bank (1989) Ltd. (Workers' Bank), the National Commercial Bank of Trinidad and Tobago Limited (NCB) and the Trinidad Cooperative Bank Limited (TCB). At that time, these indigenous banks were faced with the effects of inadequate capitalisation and/or low loan asset quality which, combined with their competitive weaknesses and scale, made it difficult for them to overcome the constraints on their profitability, the effect of which was exacerbated by the economic downturn which the country was experiencing at that time. Workers' Bank and TCB were majority-owned by the Government while GORTT held a 33% interest in NCB. The assets and liabilities of the said three banks were vested in the Issuer in September 1993, by virtue of vesting orders made by the Minister of Finance under Section 49 of the Financial Institutions Act Chap. 79:09 (as amended). At the same time, the Central Bank of Trinidad and Tobago (CBTT or Central Bank) assumed control of the Issuer under Section 44D of the Central Bank Act (as amended), and required the Issuer to submit regular reports to the Central Bank on its operations as well as to collaborate with the Central Bank on governance issues.

When the Issuer was vested with the assets and liabilities of the said three banks in 1993, it faced substantial challenges including, among others, a large non-performing loan portfolio, a liquidity crisis, a poor image, a high cost base, weak operating and control systems and low employee morale. As a result, the immediate focus of the Issuer's management was to reduce the non-performing portfolio, restore liquidity, improve the Issuer's image by improving product and service offerings, control costs, consolidate and improve its systems and procedures and improve employee morale. After this initial period, the Issuer then began to focus on:

1. Leveraging technology to create greater efficiency in its systems and procedures;
2. Implementing risk management processes by implementing ongoing credit reviews of the non-performing loan portfolio and standardising credit procedures;
3. Reducing overhead costs while increasing revenues;
4. Improving its image and service by focusing on customer service and enhancing the Issuer's image;
5. Widening the range of products and services offered, primarily in the area of electronic banking through the introduction of credit cards, telephone banking services and its internet-based E-first online cash management system;
6. Deepening the human resource competence by taking steps to build a performance oriented culture, intensifying training and taking other steps to improve morale;
7. Refocusing on marketing as a responsibility of each employee and laying the foundation for future marketing efforts through the adoption of a well-structured marketing programme; and
8. Targeting specific sectors of the economy to ensure consistent growth in its asset base.

In collaboration with and controlled by the Central Bank, the Issuer moved to become a profitable financial institution with a robust balance sheet which satisfied prudent and regulatory capital requirements while maintaining a strong liquidity position. Having achieved these objectives, CBTT relinquished control of the Issuer in September 2007.

Since commencement of its operations in 1993, the Issuer has achieved a number of milestones. In 1994, it introduced the first international VISA Gold Card in Trinidad & Tobago. In 1995, it introduced the first online real-time cash management system that enabled real-time service networking of all branches, and in 1999, was the first bank in the English-speaking Caribbean to launch an internet banking service with the launch of "First Online".

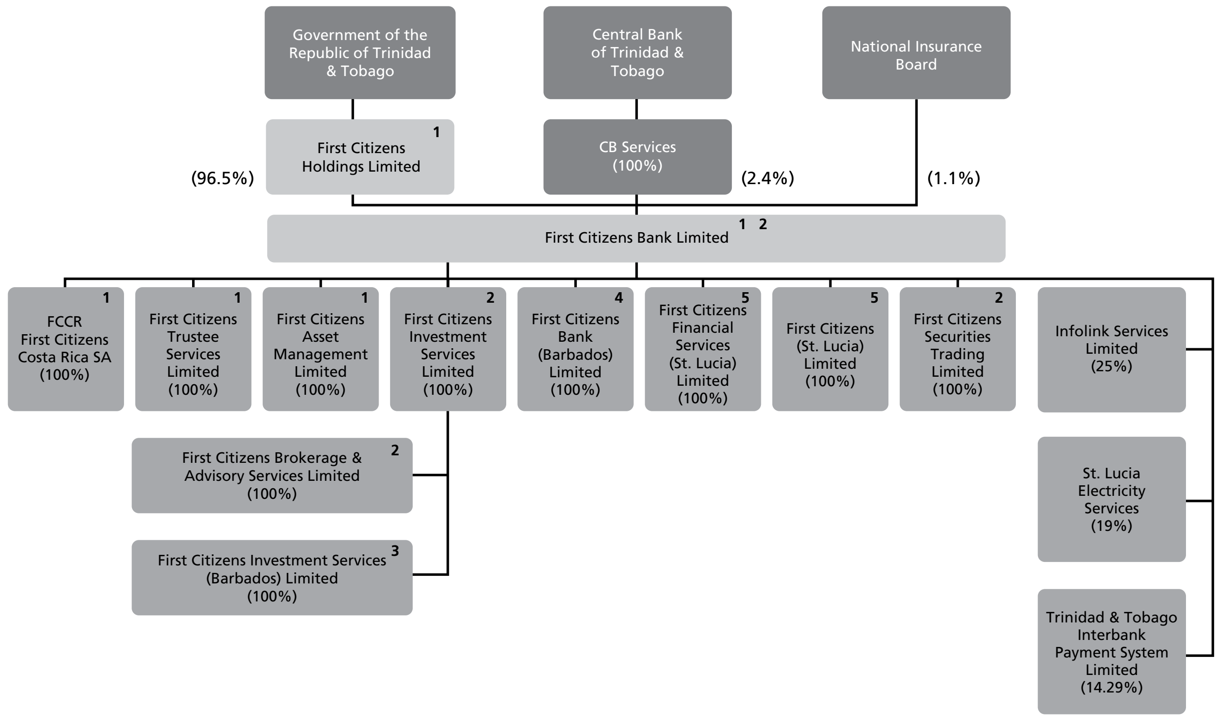
These initiatives continued with the turn of the century, and in 2001, the Issuer became the first indigenous bank in the region to obtain an investment grade rating from Standard and Poor's. The Issuer's current rating of BBB+ (confirmed in September 2012) represents the highest international credit rating for an indigenous bank in the region. In 2004, the Issuer established First Citizens (St. Lucia) Ltd. and, using that wholly owned subsidiary as a vehicle, was the first Trinidad & Tobago licensed financial institution to issue a USD bond in the international capital markets, with a third successful issue in 2011. These bonds currently carry a credit rating of A1 from Moody's. This represented the first time that debt issued by a local financial institution was assigned an A rating from an international credit rating agency.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

HISTORICAL INFORMATION (continued)

An overview of the recent financial performance of the Issuer is contained under Section 13 – Management Discussion and Analysis for the six months ended March 31, 2013, while Section 10 – Five Year Performance Summary, contains commentary on historical performance drivers.

CORPORATE STRUCTURE



Registered and/or Licensed under:
1. FIA
2. SA, 2012
3. Securities Act, CAP 318A of Barbados
4. Financial Institutions Act, CAP 324A of Barbados
5. International Business Companies Act; Banking licence in St. Lucia under the International Banks Act 1999

Note: FCHL is designated as a Bank holding Company under the FIA and is subject to the regulatory requirements under that Act.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE STRUCTURE (continued)

The Issuer has eight direct wholly owned subsidiaries, and two indirectly owned subsidiaries namely:

First Citizens Asset Management Limited – FCAM is incorporated in Trinidad & Tobago and is licensed under the FIA, and is also registrant registered under SA, 2012. It is a wholly owned subsidiary of the Issuer and offers investment management services to pension plans, collective investment schemes and other parties.

First Citizens Investment Services Limited – FCIS is incorporated in Trinidad and Tobago and is registered as a broker-dealer under the SA, 2012. The company operates in Trinidad & Tobago, St. Lucia and St. Vincent and the Grenadines. Its principal business includes the arrangement of securities in the primary market and trading securities in the secondary market. FCIS also offers wealth management services to its clients, portfolio management and such other business as is authorised pursuant to its registration under the SA, 2012.

The company's registered office is 17, Wainwright Street, St. Clair, Trinidad & Tobago.

The company's wholly owned subsidiaries are:

1. First Citizens Brokerage & Advisory Services Limited
2. First Citizens Investment Services (Barbados) Limited

First Citizens Brokerage & Advisory Services Limited – FCBAS is incorporated in Trinidad & Tobago and is registered as a broker-dealer under the SA, 2012. Its principal business includes trading in securities on the Trinidad and Tobago Stock Exchange (TTSE) and such other business as is authorised under the SA, 2012.

First Citizens Investment Services (Barbados) Limited – FCISBL is incorporated in Barbados and is registered as a securities company under the laws of Barbados. Its principal business includes trading in securities and such other business as is authorised under the Securities Act, CAP 318A of Barbados. The company's registered office is Warrens Great House, Warrens, St. Michael, Barbados.

First Citizens Bank (Barbados) Limited – FCBBL is incorporated in Barbados and is licensed under the Financial Institutions Act, CAP 324A, and is principally involved in the business of banking, including the provision of mortgages for residential and commercial properties. The company's registered office is 1st Floor, Carlisle House, Hincks Street, Bridgetown, Barbados. The company has five branches in Barbados located in the following areas: Bridgetown; Collymore Rock, St. Michael; Worthing, Christ Church; Sargeant's Village, Christ Church and Somerley Banking Centre, Christ Church.

First Citizens Securities Trading Limited – FCSTL is incorporated in Trinidad & Tobago and is engaged in the provision of financial management services. The registered office of the company is located at 45, Abercromby Street, Port of Spain, Trinidad. The company is registered under the SA, 2012 as a broker-dealer.

First Citizens Trustee Services Limited – FCTSL is incorporated in Trinidad & Tobago and is licensed under the FIA. It offers a full range of trustee and related services including trusteeship of pension plans, mutual funds, bonds and other trust funds, bond paying agent/registrar and custody of assets.

First Citizens Financial Services (St. Lucia) Limited – FCFSL is incorporated as an international business company under the International Business Companies Act 1999 of St. Lucia, and also has a banking licence in St. Lucia under the International Banks Act 1999. It is supervised by the Financial Sector Supervision Unit of the Ministry of Finance, Economic Affairs and National Development. The company's principal activities include selected banking and financial service operations.

First Citizens (St. Lucia) Limited – FCSL is incorporated as an international business company under the International Business Companies Act 1999 of St. Lucia, and also has a banking licence in St. Lucia under the International Banks Act 1999, and is supervised by the Financial Sector Supervision Unit of the Ministry of Finance, Economic Affairs and National Development. The company was established as an offshore financial vehicle for the Issuer and its activities are structured to comply with the exemptions it enjoys under the US Investment Company Act of 1940 as amended.

FCCR First Citizens Costa Rica SA – FCCR is incorporated in Costa Rica as a service company and is established as a representative office with the approval of the Central Bank of Trinidad and Tobago under the FIA. The company originates business for the Issuer by marketing to state-owned entities and large corporates in the Central American market and participating in syndicated and bi-lateral loans. The company's registered office is located at Oficentro Eurocenter 1, Barreal de Heredia, Costa Rica.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE STRUCTURE (continued)

The Issuer also holds interests in the following entities:

Infolink Services Limited – Infolink Services Limited (incorporated in Trinidad & Tobago) is a joint venture corporation equally owned (each with a 25% interest) by the four largest commercial banks in Trinidad & Tobago - The Issuer, Republic Bank Limited, RBC Royal Bank (Trinidad and Tobago) Limited and Scotiabank (Trinidad & Tobago) Limited. This joint venture allows customers of the respective banks to use their ATM card or debit card at other banks.

St. Lucia Electricity Services Limited – The Issuer has a 19% investment in St. Lucia Electricity Services Limited, whose principal activity is the provision of electrical power to consumers in St. Lucia. St. Lucia Electricity Services Limited was incorporated under the laws of St. Lucia on November 9, 1964, and re-registered as a public company on August 11, 1994. The company was also registered under the Companies Act of St. Lucia on October 22, 1997. The company operates under the Electricity Supply Act, 1994 (as amended), and has an exclusive licence for the exercise and performance of functions relating to the supply of electricity in St. Lucia. The company is listed on the Eastern Caribbean Securities Exchange. The company's registered office is located at Sans Souci, John Compton Highway, Castries, St. Lucia.

Trinidad & Tobago Inter Bank Payment System Limited – TTIPS was incorporated in Trinidad & Tobago on November 3, 2004. Its principal business activity is the operation of an automatic clearing house which facilitates the processing and settlement of electronic transactions between all banks. All six commercial banks operating in Trinidad & Tobago, along with the Central Bank of Trinidad and Tobago, are equal shareholders in TTIPS. The Issuer holds a 14.29% interest in this joint venture.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

BUSINESS ACTIVITIES

The Issuer conducts a broad range of banking and financial service activities including consumer banking, corporate and commercial banking, investment banking and investment management throughout Trinidad & Tobago and Barbados. Its investment banking and management services are also provided in St. Lucia and St. Vincent and the Grenadines. An overview of the Issuer's principal business activities follows:

Corporate and Retail Services and Products

Corporate and Commercial The Issuer offers a full range of services to its corporate and commercial customers including, amongst others, the following:

- Savings and business chequing accounts
- Fixed deposits
- Working capital/overdraft facilities
- Commercial loans
- Commercial mortgages
- Electronic cash management
- Foreign exchange
- International trade services
- Asset based loans – trade-related products
- Investments
- Asset management

Retail The Issuer also provides a comprehensive range of banking services and products for individual customers and small and medium enterprises including, amongst others, the following:

- Secured and unsecured consumer loans
- Mortgages and home equity loan
- Branded credit card accounts
- Personal trust and wealth management services
- Certificates of deposit
- Interest-bearing and non-interest-bearing chequing accounts with optional features such as debit/ATM cards
- Fixed deposits
- Mutual funds and annuities
- Utility payments
- Internet banking
- Telephone banking
- Traditional savings accounts
- Private/personal banking
- Mobile banking
- Call center services
- Youth accounts
- Planned savings programmes

Lending Activities

The Issuer targets its lending to corporate entities and individuals that meet its credit standards. These standards aim to maintain a high quality loan portfolio while also adhering to the regulatory guidelines set out under the FIA and directives from the Central Bank.

The Issuer's credit standards are set by its standing Credit Committee with the assistance of the Group Chief Risk Officer and Assistant General Manager, Credit Risk and Administration, who combined, are charged with ensuring that credit standards are met by the loans in its portfolio. The Issuer's credit standards for corporate and commercial borrowers take into account numerous criteria including historical and projected financial information, strength of management,

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

BUSINESS ACTIVITIES (continued)

Lending Activities (continued)

acceptable collateral and market conditions and trends in the borrower's industry. In addition, prospective loans are also evaluated based on current industry concentrations in the Issuer's existing loan portfolio to prevent an unacceptable concentration of loans in any one particular industry. Through the authority of the Credit Committee, the Assistant General Manager, Credit Risk and Administration, delegates lending authority to each branch and unit manager.

The Issuer's lending activities are generally separated into corporate and commercial lending and retail lending. Specifically, the Issuer provides the following types of loans: demand loans, instalment loans, personal overdrafts, and other services such as foreign exchange, travelers' checks, standing orders, night safe depository and safety deposit boxes.

Additionally, the Issuer usually extends variable rate loans in which the interest rate fluctuates with a predetermined indicator such as the Bank's prime lending rate or the London Inter Bank Offer Rate ("LIBOR"), the latter with respect to USD denominated funding. This use of variable rate loans is designed to reduce the Issuer's exposure to risks associated with interest rate fluctuations since the rates of interest earned will automatically reflect such fluctuations. As of December 31, 2012, which is the most recent date that this information was required to be reported to the Central Bank, 60.7% of the loans by outstanding principal balance in the bank's portfolio were variable rate loans.

The Issuer's corporate and commercial loan portfolio consists of lines of credit for working capital, term loans to finance equipment and other commercial assets, real estate loans, equipment lease financing and loans to government related entities. The Issuer's retail consumer loans portfolio consists primarily of personal lines of credit, student loans, debt consolidation loans, vacation loans, loans to acquire personal assets such as automobiles, credit card services and real estate loans. Retail loans are granted both on a secured and an unsecured basis.

Deposit Products

The Issuer offers a wide range of deposit products at competitive interest rates. Its corporate deposit products include commercial chequing accounts, lockbox accounts, cash concentration accounts and other cash management products such as its "E-first" online cash management service. Retail deposit products include savings accounts, chequing accounts and fixed deposit accounts.

Advisory Services

Services offered include, but are not limited to:

Capital Markets Advisory services such as: analysis and conduct of due diligence exercises, structuring, pricing, syndication/distribution and documentation as it pertains to Equity and Bond issues, Commercial Paper and Private Placements.

Structuring and Advisory Structured transactions; Mergers and Acquisition advisory and Corporate Finance advisory

Wealth Management Portfolio management; Investment advisory; Brokerage services; Investments (fixed income securities, short-term investments, multi-currency investments, mutual funds); On-line trading; and Custodian services

Trading Proprietary portfolio management and Equity and Bond Trading

Research The research and preparation of macroeconomic reports; Industry and sector analysis; Bond portfolio pricing; Equity analysis and Fixed Income analysis

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

BUSINESS ACTIVITIES (continued)

Asset Management

FCAM provides investment management services for third party funds. Its asset management professionals work with customers to define objectives, goals and strategies for their investment portfolios. The Issuer advises institutional and individual investor clients concerning asset allocations in order to enhance returns on their investments and help them meet their investment objectives.

As at March 31, 2013, FCAM managed 25 individual plans with a combined market value of over $12 billion in assets under administration. These plans include FCAM's suite of mutual funds: the Abercrombie Fund, a TT dollar-denominated money market mutual fund; the Paria Fund, a USD denominated income mutual fund; the El Tucuche fixed income fund, a TTD denominated fixed income fund; the Immortelle Income and Growth Fund, a TTD denominated income and growth fund. FCAM also manages institutional pension, savings and deferred annuity plans.

Trustee Services

FCTSL is licensed by the Central Bank of Trinidad and Tobago to conduct trust and related business. The Company was established out of a desire to achieve the best practice corporate governance standards by separating the trusteeship function from the investment management function. Accordingly, in 2006 the trust business of the former First Citizens Trust and Asset Management Limited was transferred to FCTSL. At the same time, First Citizens Trust and Asset Management Limited was renamed FCAM to reflect its core focus on investment management.

FCTSL's primary focus is on the corporate trust market, in particular, providing trustee and custodian services for mutual funds, pension plans and bond issues and other trust funds. FCTSL also acts as registrar and paying agent for bonds issued in the domestic and regional capital markets. As at March 31, 2013, FCTSL had $12.76 billion in assets under administration and was servicing more than 100 debt instruments.

Securities Trading

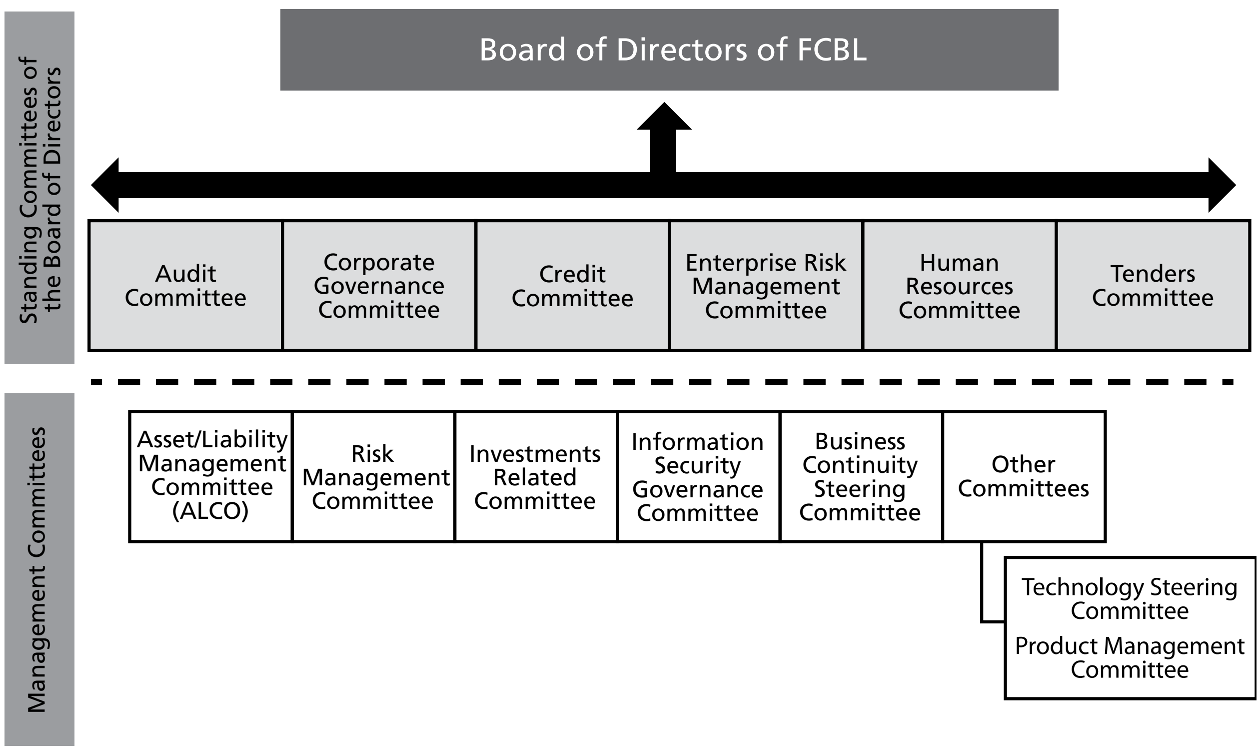
The Issuer's trading subsidiaries are registered to engage in trading fixed income and equity securities. In Trinidad & Tobago, as registered broker-dealers with the Trinidad and Tobago Securities and Exchange Commission, FCIS and FCSTL trade in fixed income securities while FCBAS trades in equity securities. In Barbados, FCISBL is registered with the Financial Services Commission to trade in all securities.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE

The Issuer's Board of Directors is responsible to all of its stakeholders for ensuring that the Issuer is operated in a manner that builds a highly profitable financial services franchise renowned for innovativeness, service excellence and sound corporate governance. The Issuer's corporate governance framework is designed to ensure the strategic guidance of the Issuer, the effective monitoring of management by the Board, and the Board's accountability to the Issuer and the shareholders.

The Board of Directors currently has six standing committees namely Audit, Corporate Governance, Credit, Enterprise Risk Management, Human Resources and Tenders. In addition to the standing committees, there are also a number of management committees responsible for ensuring the effective implementation of policies and decisions throughout the Group.



STANDING COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

All Group companies licensed under the FIA are required to have an Audit Committee. In keeping with this requirement, Audit Committees were established for the Issuer as well as FCAM, FCTSL, FCIS and FCBBL. The Audit Committee is the principal agent of the Board of Directors in overseeing the:

1. Quality and integrity of the Group's financial statements;
2. Independence, qualifications, engagement and performance of the external auditors;
3. Review of the performance of the Group's internal auditors;
4. Integrity and adequacy of internal controls and the quality and adequacy of disclosures to the shareholders;
5. Scope and results of audits performed by the external auditor and the Group Internal Audit Department, as well as reports to the Inspector of Financial Institutions.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE (continued)

Audit Committee (continued)

The Audit Committee's responsibility is supervisory and it therefore recognises that the Group's management has more knowledge and detailed information about the Group than do the members of the Committee. It also takes responsibility for the Group's financial reporting and financial statements prior to the involvement of the auditors. Consequently, in carrying out its supervisory responsibilities, the Committee does not provide any expert or special assurance as to the Group's financial statements or any professional certification as to the external auditor's work.

The role and responsibilities of the Audit Committees of each entity in the First Citizens Group follow:

1. External auditor – The supervision of the relationship with the external auditor, including recommending the firm to be engaged as the external auditor, evaluating the auditor's performance and the determination of the selection criteria for the appointment of the external auditor.
2. Critical accounting judgments and estimates – Reviewing and discussing with management and the external auditor the corporation's critical accounting policies and the quality of accounting judgments and estimates made by management.
3. Internal controls – Becoming familiar with and understanding the Group's system of internal controls and, on a periodic basis, reviewing the adequacy of this system with both internal and external auditors.
4. Compliance – Reviewing the organisation's procedures in addressing compliance with the law and important corporate policies, including the company's Code of Conduct.
5. Financial statements – Reviewing and discussing the Group's annual financial statements with management and the external auditor and recommending that the Board approve these statements.
6. Internal audit function:
   - Overseeing the Group's internal audit function, including reviewing reports submitted by the Chief Internal Auditor;
   - Authorising the Internal Auditor to carry out special investigations into any area of the organisation's operations which may be of interest and concern to the Committee;
   - Ensuring that the Group's Internal Audit Department is aware of the live issues of the Group (including major areas of change and new ventures) and that these are incorporated into its work plans; and
   - Ensuring internal audit has full, free and unrestricted access to all the company's activities, records, property and personnel necessary to fulfill its agreed objective.
7. Providing communication – Providing a channel of communication to the Board for the external and internal auditors.
8. Ensuring consistency of composition – Each committee should have at least three members, of which the majority should be independent directors.

The Audit Committee meets quarterly.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE (continued)

Audit Committee (continued)

The members of the Audit Committees for First Citizens Holdings Limited, the Issuer and the respective subsidiaries follow:

First Citizens Holdings Limited Carlton Watson - Chairman*	**Committee Members** Marlene Juman Lester Herbert (independent member)
First Citizens Bank Limited Anthony Mohammed - Chairman	**Committee Members** Marlene Juman Vishnu D. K. Musai Anil Seeterram
First Citizens Asset Management Limited Narinejit Pariag - Chairman	**Committee Members** Rishi Baddaloo Feona Lue Ping Wa
First Citizens Trustee Services Limited Vishnu D. K. Musai - Chairman	**Committee Members** Anthony Mohammed Shiva Manraj Cindy Bhagwandeen
First Citizens Investment Services Limited Anil Seeterram – Chairman	**Committee Members** Larry Nath Ved Seereeram
First Citizens (Barbados) Bank Limited Marlene Juman - Chairman	**Committee Members** Ved Seereeram Shobee Jacelon

* Ceased to be a Director on May 3, 2013. A new Director is to be appointed.

Corporate Governance Committee

The Corporate Governance Committee is central to the effective functioning of the Group, as it provides a leadership role in shaping the corporate governance guidelines of the Group. The responsibilities of this Committee include establishing criteria for committee membership, rotation of committee members, reviewing any potential conflicts of interest between Board members and the Group, and monitoring and safeguarding the independence of the Board. The Committee meets semi-annually.

Other responsibilities include:

1. Integrity of information – Overseeing and reviewing the Group's processes for providing information to the Board. This is done through an assessment of the reporting channels through which the Board receives information, and the assessment of the quality and timeliness of information received;
2. Corporate governance principles – Developing and recommending a set of corporate governance principles applicable to the Group. The Committee also reviews the composition of all Board Committees and their terms of reference, and brings to the Board for approval a code of best practice for the functioning of these Committees;
3. Evaluation of performance – Developing an effective mechanism for an annual evaluation of the performance and effectiveness of the full Board, the operations of Committees and the contributions of individual directors.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE (continued)

Credit Committee

The role of the Credit Committee is:

1. To approve credit facilities as documented under the Group's credit policy;
2. To review the quality of the loan portfolio and strategies being implemented to manage the Group's exposure to credit risk;
3. To review the Group's credit policies and make changes to ensure adequacy of scope and coverage as well as appropriate rigor and continuing relevance to the changes in the environment in which the Group operates.

The work of the Credit Committee is supported by the Credit Risk and Administration Department.

The Committee meets bi-monthly or as required to approve credit applications.

Enterprise Risk Management Committee

The Board's Enterprise Risk Management Committee is responsible for oversight of the Group Chief Executive Officer's and Senior Management's responsibilities regarding the identification and management of, as well as planning for the Group's market risk, interest rate risk, liquidity risk, operational risk and reputational risk (all referred to as "Enterprise Risks").

This Committee has overall responsibility for:

1. Overseeing senior management's implementation of a risk framework and risk appetite, while ensuring alignment of the Group's risk profile with the strategic plan, goals and objectives of the business;
2. Reviewing with senior management of the Issuer, the Group's processes (including policies, procedures, guidelines, benchmarks, management committees and stress testing) for identification, management and planning for the Group's Enterprise Risks. This Committee also receives and reviews reports from senior management regarding compliance with applicable risk-related policies, procedures and tolerances, and reviews the Group's performance relative to these policies, procedures and tolerances;
3. Periodically reviewing management's activities with respect to capital management and liquidity planning, including approval of management's plans with respect to liquidity sources, dividends, the issuance, repurchase or redemption of equity or other securities, and issuance and repayment of the Group's debt;
4. Receiving and reviewing reports on selected risk topics as management or the Committee deems appropriate from time to time;
5. Reviewing and discussing with management significant regulatory reports of the Company and its subsidiaries related to the Enterprise Risks, and remediation plans related to such Enterprise Risks;
6. Meeting annually with the Audit Committees on topics of common interest.

In addition, the risks associated with new business ventures (divestments, acquisitions, mergers, joint ventures, etc.), operations in foreign jurisdictions, new legislation/regulations, corporate financing/capital structure, and reputation are also reviewed by this Committee.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE (continued)

Human Resources Committee

The role of the Board's Human Resources Committee is to:

1. Provide a governance framework for the consideration of Strategic Human Resources matters;
2. Provide advice to the Board on the application of specific matters as appropriate.

The Human Resources Committee considers and makes recommendations to the full Board as appropriate with reference to:

1. Recruitment, selection and succession planning – Policies on the recruitment, selection of and succession planning for senior staff;
2. Industrial Relations – Collective labour negotiating, grievances, disputes and other matters arising between the Issuer and the employees and the representative Union;
3. Terms and conditions of employment – The compensation philosophy to be adopted by the Group. The determination of the details of the remuneration packages for all employees;
4. Talent development – Policies relating to the alignment of the Group's human capital with the Group's business needs and the requisite developmental, retention and attraction strategies within the Group;
5. Occupational Health and Safety – Policies relating to Occupational Health and Safety that ensure compliance with the Occupational Safety & Health (OSH) Act;
6. Culture and core values – Policies relating to the core values, beliefs and behaviors to be promoted throughout the Group; and
7. Organisation structure – Policies relating to organisation and design.

Tenders Committee

The main purpose of the Tenders Committee is to ensure that the Issuer makes effective decisions when selecting suppliers and contractors for goods and services on a tender basis. The main functions of this Committee include reviewing and approving the procedures and rules for tender, including the pre-qualification requirements for selected bidders/tenderers, reviewing recommendations from management regarding commercial bids from pre-approved and other tender participants, selecting the winning bid and providing overall control, coordination and supervision in the preparation and conduct of tenders.

MANAGEMENT COMMITTEES

Asset /Liability Management Committee

The Group has an active Asset/Liability Committee that comprises senior managers representing key departments within the Group. The Committee is responsible for the management of the interest rate, liquidity and foreign exchange exposures in the context of existing market trends. It seeks to optimise the Group's investments and funding strategies, stabilise net income and ensure integration with other risk management initiatives.

Risk Management Committee

The Risk Management Committee consists of members of the senior management team. This Committee is responsible for providing an integrated approach to risk management for the Issuer and its subsidiaries. This Committee is responsible for establishing and maintaining the Issuer's risk framework and classification system. Its objective includes ensuring that the overall risk profile of the bank is consistent with strategic objectives and that appropriate and timely information with regard to the identification, measurement and management of significant risks is provided to the risk management committee of the Issuer's Board of Directors. This Committee also functions as a key communication forum between business units, functional units and risk management in identifying, reporting and initiating action on enterprise-wide risk issues. This Committee meets on a monthly basis. The Issuer has also established a risk management policy, which identifies and allocates the responsibility for management risks within the Group.

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

CORPORATE GOVERNANCE (continued)

Investment Related Committees

FCAM and FCIS have committees in relation to their investment business. These committees consist of members of the senior management team as well as the Board of Directors of each company.

- ***FCAM Investment Committee*** - This Committee meets monthly and monitors, evaluates and makes decisions with respect to recommendations made by management for all investments, including short-term and long term investments for funds under management.
- ***FCIS Capital Markets Committee*** - This Committee reviews, on behalf of the Board, proposed underwritten Capital Market Deals taking into consideration credit risk, market risk, liquidity risk, legal risk and strategic risk. The Committee meets as needed, but no less than once per quarter.

Information Security Governance Committee

This Committee was established to develop and maintain a framework to provide assurance that the Issuer's information security strategies are aligned with its business objectives and are consistent with the applicable laws and regulations across the jurisdictions in which the Group operates.

Business Continuity Steering Committee (BCSC)

This Committee provides the governance and oversight of the Business Continuity Management programme for the First Citizens Group, with its priorities as follows:

1. Verifying with the Group's Business Continuity Planning (BCP) Unit that the BCP related documentation is maintained and is relevant to the various businesses/units across the Group;
2. Ensuring that a robust maintenance and awareness programme is in place across the Group which is effective to embed the business continuity awareness level and culture within the Group;
3. Warranting that the Business Continuity Management (BCM) programme remains relevant to the business objective of the Group and aligned to best practice and International Standards;
4. Identifying training requirements outside of the maintenance programme;
5. Providing support to the recovery teams.

Other Committees

The Issuer has several other committees comprised of members of the senior management team, including a Technology Steering Committee (which oversees technology investment by the Issuer and its subsidiaries) and a Product Management Committee (which is responsible for bringing new products and services to market).

4. INFORMATION ABOUT THE FIRST CITIZENS GROUP (continued)

EMPLOYEES

As of March 31, 2013, the Issuer and its subsidiaries employed 1,664 permanent employees. The majority of non-management bank employees in Trinidad & Tobago are represented by the Banking Insurance and General Workers Union. The Issuer considers its relationship with its employees and this union to be good. Because the Issuer is currently indirectly 100% Government-owned, all salary rates, including those for senior management and the collective bargaining positions, must be approved by Government. The collective bargaining agreement covering non-management employees expired on December 31, 2011.

The Issuer is currently engaged in negotiations with the Banking Insurance and General Workers Union for a new Collective Agreement for both bargaining units for the period January 1, 2012 to December 31, 2014. Both sides continue to negotiate with a view to achieving an amicable resolution.

The majority of non-management employees at FCBBL are represented by the Barbados Workers' Union. The current collective bargaining agreement expired on December 31, 2012, and it is expected that the parties will soon be in negotiations to conclude a new agreement. The relationship between the Issuer and the Barbados Workers' Union has historically been one of mutual respect and cooperation, with no history of disputes or protracted negotiations. The Issuer's management actively seeks to maintain an industrial relations climate that facilitates business success.

The Issuer has developed strategic leadership competency models and established competency requirements for all levels of staff – managerial and non-managerial. The competency model and requirements are used to guide placement and promotion decisions. The Issuer conducts internal strategic alignment surveys in order to gauge employees' commitment.

The Issuer also owns a 21,000 sq. ft. learning center at which it provides centralised training for all employees. The Issuer has in place a number of managerial development programmes. More specifically, there are individual development and succession planning initiatives being implemented for its Executive and Senior Management Team. The Issuer has also enacted a code of conduct applicable to all staff.

PROPERTIES

As of March 31, 2013, the Issuer conducted business at 26 full service banking locations, one foreign exchange bureau, seven operations centres, five commercial business centers, a learning centre and 96 ATM machines. In Barbados, these services are provided via five branches, one lending centre and eight ATMs.

The Issuer owns the land and buildings comprising its headquarters, three operations centres, the learning center, a manager's residence in Tobago and 12 of its branches. The Bank leases the remainder of the land and buildings. The details of all owned and leased properties are included under Appendix 2.

5. DIRECTORS AND SENIOR OFFICERS

BOARD OF DIRECTORS

Nyree D. Alfonso *(Chairperson)* was appointed to the Boards of First Citizens Holdings Limited and the Issuer as Chairperson in January 2011. She is an Attorney-at-Law who, for more than 20 years, has been in private practice specialising in commercial litigation. She was admitted to practice both in Trinidad & Tobago and the Eastern Caribbean States. Ms. Alfonso graduated from UWI with a Bachelor of Law Degree (Hons) (LLB) and earned her Master of Laws Degree from King's College, University of London, in commercial and corporate law with emphasis on taxation, commercial credit, security and borrowing and corporate restructuring/insolvencies. She also obtained a Legal Education Certificate (LEC) from the Hugh Wooding Law School. She was awarded a post graduate diploma (Merit) in Maritime Law in June 2009 from Lloyd's Maritime Academy/London Metropolitan University and is currently undertaking a course of study which will lead to a full LLM in Maritime Law. In January 2011 she was appointed Chairperson of First Citizens (St. Lucia) Limited, First Citizens Financial Services (St. Lucia) Limited, First Citizens Investment Services Limited, First Citizens Brokerage & Advisory Services Limited and First Citizens Investment Services (Barbados) Limited. Ms. Alfonso was appointed to the Board of FCCR on April 5, 2012, and she was appointed to the Board of First Citizens Bank (Barbados) Limited as Chairperson on August 27, 2012.

Anil Seeterram *(Deputy Chairman)* has over 15 years of international, regional and local experience as a forensic accountant, auditor, management consultant and banker. He is the Managing Partner of The Phi Group, a highly specialised consulting practice with clients in the energy, financial services, manufacturing, ICT and retail sectors. Mr. Seeterram is a Canadian-qualified Chartered Accountant. He has an MBA (Hons) from the University of Western Ontario, a joint post-graduate diploma in Investigative and Forensic Accounting from the University of Toronto and the Canadian Institute of Chartered Accountants, and a Bachelor of Commerce Degree from McGill University. He has also attained the certification of Accredited Director from the Institute of Chartered Secretaries of Canada. Mr. Seeterram was appointed to the Board of First Citizens Holdings Limited in January 2011, to the Board of the Issuer in March 2011, and to the Board of First Citizens Investment Services Limited in April 2011. He also serves on the Boards of First Citizens Brokerage & Advisory Services Limited and First Citizens Investment Services (Barbados) Limited. Mr. Seeterram was appointed on April 5, 2012, to sit on the Board of FCCR.

Rishi Baddaloo serves as the Chairman of First Citizens Asset Management and as a Director of First Citizens Bank. He also chairs the Investment Committee of First Citizens Asset Management Limited and is a member of its Audit Committee and the Corporate Governance Committee of the Issuer. Mr. Baddaloo is a Director of The Office Limited which is an amalgamated holding company for Trinpad, Media Sales and Eric Solis Marketing. Mr. Baddaloo's background blends strategy, finance and private equity. He holds an MBA from Vanderbilt University & a BSc from the University of the West Indies. He is a former national scholar, Fulbright scholar & Richard S. Weinberg scholar.

Cindy Bhagwandeen has a BSc from UWI, an LLB from the University of London, and a Legal Education Certificate from the Hugh Wooding Law School. Ms. Bhagwandeen has worked on several high profile and landmark cases with prominent Attorneys-at-Law, including the Honourable Attorney General of Trinidad & Tobago, Mr. Anand Ramlogan, whilst he was in private practice, and Sir Fenton Ramsahoye, QC. She manages a successful law practice in San Fernando which specialises in matters such as Judicial Review, Constitutional Motions, Medical Negligence Claims, Personal Injury Claims and various torts against the State. She was appointed to the Board of the Issuer in January 2011, and to the Board of First Citizens Trustee Services Limited in January 2011. On April 5, 2012, Ms. Bhagwandeen was appointed to sit on the Board of FCCR.

Shobee Jacelon graduated with an Honours Degree in Geography, followed by a Masters Degree in Information Science and Technology at the University of Western Ontario. On her return to Trinidad & Tobago, she worked first as Assistant Librarian at the UWI Library, followed by an eight year stint at The Caribbean Industrial Research Institute (CARIRI) as an Information Specialist in disseminating technical information to businesses, government and research institutes, both in the private and public sectors. The subsequent five years in her family's jewellery business (Maraj Jewellers) were spent in customer service, human resource and marketing. Over the last 16 years, Mrs. Jacelon has been involved with four international companies at an executive level in marketing nutritional supplements. She has recently set up her own company, Lifestyle Solutions Limited. She was appointed to the Board of the Issuer in January 2011, and to the Boards of First Citizens Investment Services Limited, First Citizens Brokerage and Advisory Services Limited and First Citizens Investment Services (Barbados) Limited in January 2011. In March 2012, Mrs. Jacelon attended the Directors' Education and Accreditation Programme hosted by the Eastern Caribbean Securities Exchange Limited (St. Kitts). She was appointed to the Board of First Citizens Bank (Barbados) Limited on August 27, 2012.

5. DIRECTORS AND SENIOR OFFICERS (continued)

BOARD OF DIRECTORS (continued)

Marlene Juman was appointed to act as Permanent Secretary, Ministry of Finance, in March 2010. She entered the Public Service over 20 years ago where she served in the Ministry of Finance, first in the Inland Revenue Division as a Field Auditor, and then as an Accountant, VAT Administration. She later worked with the Treasury Division as a Treasury Accountant, followed by Treasury Director, Financial Management. After a period of 12 years in the Ministry of Finance, she was assigned to the Ministry of Education where she spent five years as Deputy Permanent Secretary. She is an Accountant with qualifications in AAT and ACCA and has a Diploma in Human Resource Management and a certification in Project Management. She is currently assigned to the Investments Division of the Ministry of Finance and the Economy, with responsibilities for the monitoring of State Agencies. Ms. Juman was appointed to the Boards of First Citizens Holdings Limited and the Issuer in June and July 2010 respectively. Ms. Juman was appointed to the Board of First Citizens Bank (Barbados) Limited on August 27, 2012.

Anthony Mohammed is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants of Trinidad & Tobago. He has over 20 years' experience in Auditing, Accounting and Finance and, at present, holds the position of Finance Controller at Air Liquide Trinidad & Tobago Limited. Mr. Mohammed was appointed to the Board of the Issuer in January 2011. In January 2011 he was appointed to the Board of First Citizens Trustee Services Limited as Chairman, and to the Boards of First Citizens (St. Lucia) Limited and First Citizens Financial Services (St. Lucia) Ltd.

Vishnu D. K. Musai has an MBA from the Institute of Business, UWI, and an ACCA from the Glasgow College of Technology. He has worked as an Accountant at the Ministry of Finance, and at GTM Life Insurance Company Limited (now Mega Insurance Company Limited) as Secretary/Accountant. He was appointed to the Board of the Issuer in January 2011. He was also the Chairman of Trinidad & Tobago Forests Products Limited for several years. Mr. Musai completed courses in the Directors' Education and Accreditation Programme and Financial Investigation and Forensic Accounting.

Ramish Ramanand works at the Petroleum Company of Trinidad & Tobago Limited and has a Diploma in Management from Henley Business School, a BA in Human Resource Management from Anglia Polytechnic University (United Kingdom), and a Certificate of Risk Management from the Arthur Lok Jack Institute of Business. Mr. Ramanand was appointed to the Board of Directors of the Issuer in January 2011, and to the Board of First Citizens Securities Trading Limited on January 13, 2011. Mr. Ramanand received an Advanced Diploma in Forensic Accounting and Fraud Detection (Merit) from the Caribbean Forensics & Financial Fraud Institute in April 2012.

Ved Seereeram is a Financial Consultant, advising regional governments and corporations on capital market transactions, risk management and credit administration over the last 12 years. Prior to private consulting, Mr. Seereeram worked for Citibank Trinidad & Tobago Limited for eight years and was the Managing Director of Citicorp Merchant Bank Limited. He spent 10 years at Scotiabank Trinidad and Tobago Limited managing major corporate client portfolios. Mr. Seereeram holds an MBA from the University of Western Ontario and a BSc in Business Administration from the University of the West Indies. He was appointed to the Board of the Issuer on January 2011 and to the Boards of First Citizens Securities Trading Limited, First Citizens Investment Services Limited, First Citizens Brokerage & Advisory Services Limited and First Citizens Investment Services (Barbados) Limited in January 2011. Mr. Seereeram was appointed on April 15, 2012, to sit on the Board of FCCR, and he was appointed to the Board of First Citizens Bank (Barbados) Limited on August 27, 2012.

5. DIRECTORS AND SENIOR OFFICERS (continued)

EXECUTIVE MANAGEMENT TEAM

Larry Nath - Group Chief Executive Officer

Mr. Nath joined the Issuer as Deputy Chief Executive Officer – Banking Operations in June 2011. In November 2012, Mr. Nath was appointed Group CEO. He has been involved in the financial services industry for over 23 years, and has worked with multinational banks in a variety of roles, both in Trinidad & Tobago and abroad. Mr. Nath's career has given him a wealth of experience in commercial, corporate and energy-sector banking. He has a BBA from the University of Miami and a Master of Science in Industrial Administration (MSIA) from Purdue University. He also completed the Leadership Programme at the Wharton School. Mr. Nath has held directorships on several public and private sector boards and currently sits on the boards of several subsidiaries within the Group. In addition, he also sits on the Board of United Way Trinidad and Tobago.

Sharon L. Christopher - Deputy Chief Executive Officer – Corporate Administration, Group Corporate Secretary

Ms. Christopher has been Deputy Chief Executive Officer – Corporate Administration of the Issuer since 2007. An Attorney-at-Law (Legal Education Certificate, Hugh Wooding Law School) and a holder of a Master of Laws from the London School of Economics and Political Science, she has over 23 years' experience at Executive Management level in the financial services sector. Her experience and training is wide-ranging, covering such areas as corporate governance, banking operations, information technology, marketing, corporate security, corporate communications and human resource management. Ms. Christopher, the holder of an Accredited Director designation, has held directorships on numerous public and private sector boards. She currently sits on the Board of the St. Lucia Electricity Services Limited and on the Board of Light and Power Holdings Limited in Barbados. She is an Executive Member of the Council of the Energy Chamber of Trinidad & Tobago. In addition, she sits on the boards of several subsidiaries within the First Citizens Group.

Jason Julien - General Manager – First Citizens Investment Services Limited

He has been the General Manager of FCIS since January 2010. Prior to joining the Bank, Mr. Julien was the Assistant Vice-President of Investments at Guardian Asset Management with responsibility for the investment management of over $8 billion of assets under management. Mr. Julien previously worked for an international bank in their Global Corporate & Investment Banking Division as the Manager of Mergers and Acquisitions and Asset Based Finance. Prior to this, he was a Consultant in the Financial Advisory Services unit of one of the leading accounting firms. Mr. Julien is a Chartered Financial Analyst charter holder and his credentials include a Bachelor of Science degree (Honours) in Management Studies from the University of the West Indies and a Masters in Business Administration degree (Distinction) from Heriott-Watt University (United Kingdom). Mr. Julien is also a lecturer in the Finance Faculty of the Arthur Lok Jack Graduate School of Business of the University of the West Indies.

Robin Lewis - General Manager – Retail and Commercial Banking

Mr. Lewis joined the Issuer as the GM Retail and Commercial Banking in April of 2012. He holds a Diploma in Business Management from the University of The West Indies and an MBA from the University of Lincoln in London. Mr. Lewis is a career banker with over 30 years' experience in the financial services industry. The majority of his career was spent with a local financial services provider gaining experience in all aspects of banking operations. His prior appointment was at director level with another major regional financial institution with responsibility for Banking Operations for the Retail Wealth and Small Business groups, also including Branch Banking, Electronic Channels and Call Centres. He currently sits on the Board of the Trinidad & Tobago Manufacturers' Association.

H. Philip Rahaman - Group Chief Risk Officer

Mr. Rahaman was appointed Group Chief Risk Officer in January 2012. An Accountant by training, his career spans over 17 years in the financial sector and encompasses varied senior roles such as Head of Finance & Treasury, Head of Credit Risk, and most recently Executive Director, Commercial Services & Business Operations and Company Secretary for the local subsidiary of a global bank. He holds a Bachelor of Commerce from University College Dublin, Ireland, and is a Fellow of both The Association of Chartered Certified Accountants and The Chartered Institute of Securities and Investment.

5. DIRECTORS AND SENIOR OFFICERS (continued)

SENIOR MANAGEMENT TEAM

The Issuer's senior management team is comprised as follows:

Rosemary Alves - Corporate Manager – Group Operations and Process Improvement

Ms. Alves is currently the Corporate Manager – Group Operations and Process Improvement for the First Citizens Group, with more than 33 years' experience in the field of Banking. She is principally responsible for the Group Operations and Process Improvement Unit. In addition to her position at the Issuer, she is a Director in the Trinidad and Tobago Interbank Payments System Limited. Ms. Alves holds the Associate designation from the Institute of Chartered Secretaries UK.

Lindi Ballah-Tull - Head – Legal and Compliance

Ms. Ballah-Tull is currently the Head – Legal and Compliance for the First Citizens Group, with 16 years' experience in the field of Law and Banking. She is principally responsible for the Legal and Compliance Unit. She holds a LLB Degree (Hons) from the University of the West Indies, Cave Hill, and the Legal Education Certificate from Hugh Wooding Law School, St. Augustine, Trinidad.

Felipe Castro - Regional Manager, Central America

Mr. Castro is responsible for the Group's operations in Costa Rica. He has 15 years' experience in the field of Banking. Mr. Castro holds a Bachelor in Business Administration from the University of Latin America, and a post graduate Degree in Capital Markets from the University of Costa Rica.

Raymond Crichton - Assistant General Manager – Credit Risk and Administration

Mr. Crichton is currently the Assistant General Manager – Credit and Risk Management with responsibility for the credit risk management function within the First Citizens Group. He has 34 years' experience in the field of Banking. He holds a BSc in Economics from the University of the West Indies, and a Post-Graduate Diploma of Business Administration from Manchester Business School.

Avril Edwards - Corporate Manager – Electronic Banking

Ms. Edwards is currently the Corporate Manager – Electronic Banking Unit for the First Citizens Group, with over 23 years' experience in the field of Banking. She is principally responsible for the Electronic Banking Unit. Apart from her position at the Issuer, she holds directorships on, Infolink Services Limited and Transunion LLC. She holds a BA in Social Sciences from the University of the West Indies, and an MBA from Henley Brunel.

Glyne Harrison - Chief Executive Officer (Ag) – First Citizens Bank (Barbados) Limited

Mr. Harrison is currently the Chief Executive Officer for the First Citizens Group Barbados, with over 25 years' experience in the field of Banking. He is principally responsible for First Citizens Bank (Barbados).

Apart from his position at FCBBL, he holds directorships on the boards of the Barbados Automated Clearings House Incorporated (BACHI) and the Caribbean Integrated Financial Services Incorporated (CarIFS). He is a Certified Management Accountant, as well as the holder of an honours undergraduate degree in Economics and Management from the University of the West Indies, a post graduate diploma in Management Studies from the Herriott-Walt University and a Masters Degree in Financial Services Management from the University of Surrey.

Harjoon Heeralal - Corporate Manager – Group Corporate Planning

Mr. Heeralal has 26 years' experience in the field of Information Technology, 18 of which have been in the financial services industry. Apart from his position at the Issuer, he has held directorships at Infolink Services Limited (ISL). He was also an Alternate Director on the Institute of Banking and Finance (IBAF) in Trinidad & Tobago. Currently he is a member of the National Financial Literacy Programme's Employees in the Workplace Committee.

He holds a BSc (Honours) in Physics and Computer Science from the University of the West Indies, an MSc in Information Technology from the University of Essex, England, and an MBA in International Business from the Henley Management College, England. He is also a full member of the Institute for the Management of Information Systems (IMIS) as well as the Institute of Electronic and Electrical Engineers (IEEE).

5. DIRECTORS AND SENIOR OFFICERS (continued)

SENIOR MANAGEMENT TEAM (continued)

Marie Iton - Assistant General Manager – Human Resources

Mrs. Iton has over 22 years' direct experience in the field of Human Resource Management. She has held various human resources positions such as Director of Human Resources and Administration, Blue Cross of Jamaica; Manager - Personnel and Administration at Chemical Manufacturers Limited (Jamaica); Senior Director - Human Resources, Jamaica Promotions Corporation, among others.

Mrs. Iton has successfully obtained an Executive Masters in Business Administration (EMBA) from the Mona School of Business (University of the West Indies), a Diploma in Personnel Administration from the Institute of Management and Production (Jamaica), a Certificate in Education (University of the West Indies, Mona Campus) and a Certificate in Teacher Education from the Mico Teachers' College.

Shiva Manraj - Chief Financial Officer

Mr. Manraj has served as the Chief Financial Officer of the Issuer since February 2005. He is a Chartered Accountant, who obtained his qualifications through the Chartered Association of Certified Accountants. He is now a fellow of the Chartered Association of Certified Accountants of England – FCCA and is also a Member of the Institute of Chartered Accountants of Trinidad & Tobago.

Before joining the Issuer, he worked at an international firm of accountants for 14 years in the assurance and business advisory services where he eventually served as director, specialising in financial services. He is also a Director in First Citizens St. Lucia Limited, First Citizens Financial Services St. Lucia Limited, First Citizens Trustee Services Limited, FCCR First Citizens Costa Rica S.A. and serves in various capacities on numerous committees within the Group.

Christopher Sandy - General Manager – First Citizens Trustee Services Limited

Mr. Christopher Sandy is currently the General Manager – Trustee Services, for the First Citizens Group, with over 18 years' experience in the field of banking. Apart from his position at the Issuer, he holds directorships on the Board of the International Institute for the Health Care and Human Development Limited and the Rotary Club of Port of Spain, where he also functions as Treasurer. He holds a BSc in management studies and an MSc in Accounting from the University of the West Indies and is also a Chartered Financial Analyst (CFA) charter holder.

Dirk Smith - Corporate Manager – Treasury/International Trade Centre

Mr. Dirk Smith is currently the Corporate Manager – Treasury/International Trade Centre for the Group, with over 20 years of experience in the treasury function within the financial services industry. In addition to his functions as Group Treasurer, Mr. Smith is also a Director and the General Manager of First Citizens Securities Trading Limited and serves in various capacities on numerous committees within the Issuer. He holds a Bachelor of Science degree in Industrial Management from the University of the West Indies.

Warren Sookdar - Chief Information Officer – Information and Communications Technology

Mr. Sookdar has over 33 years' experience in the field of Information Technology and Banking. He is principally responsible for the Information and Communications Technology Department. Apart from his position at the Issuer, he has held a directorship on the board of the National ICT Company of Trinidad and Tobago. He holds a Certificate in Management Studies from the University of the West Indies, a post graduate Diploma in Management from Henley Business School (UK) and an MBA from Anglia Ruskin University (UK).

Waltnel Sosa - Corporate Manager – Strategic Initiatives/Projects

Mr. Sosa has over 10 years of experience in Corporate Finance and Strategy. He is currently responsible for overseeing and managing all aspects of the Group's expansion and growth process.

Previously Mr. Sosa worked in a variety of financial service organisations that included multilaterals and global investment banks. Mr. Sosa holds a BA from Hamilton College and an MBA from Harvard University.

5. DIRECTORS AND SENIOR OFFICERS (continued)

SENIOR MANAGEMENT TEAM (continued)

Anthony St. Clair - Chief Internal Auditor – Group Internal Audit

Mr. St. Clair holds a BSc in Management Studies from the University of the West Indies, St. Augustine, and designations FCCA and CIA. He is principally responsible for the Group Internal Auditing Department and has over 26 years' experience in the field of Auditing. He is a member of the Audit Committee of the University of the West Indies, St. Augustine, and is a Director of the Caribbean Association of Audit Committee Members (CAACM) based in St. Lucia.

Kurt Valley - General Manager – First Citizens Asset Management Limited

Mr. Valley has over 15 years' experience in diverse financial services which include investment banking, securities trading, investment management, market risk analysis and treasury management. He is principally responsible for Asset Management at the Issuer.

Apart from his position at the Issuer, he is currently the President and Chairman of the Board for the Mutual Fund Association of Trinidad & Tobago. Mr. Valley holds a Bachelor's Degree in Business Administration with a concentration in Finance and Strategic Management and an MBA in Finance both from Schulich School of Business, York University, Toronto, Canada.

Brian Woo - Assistant General Manager – Corporate Banking Unit

Mr. Woo has approximately 21 years' experience within the Banking and Financial Sector. During the years he held several senior positions at various financial institutions including Senior Relationship Manager – Global Corporate and Investment Banking, Senior Manager – Corporate and Investment Banking and Regional Manager – Investment Banking.

Mr. Woo attained a Masters in Business Administration with a concentration in Finance from the University of Navarra, Barcelona. He has also successfully completed a Bachelor of Arts (Honours) in Operations Research with Carleton University, Canada.

COMPENSATION OF DIRECTORS AND OFFICERS OF THE BANK

In accordance with the Issuer's By-Laws, the Directors are entitled to receive remuneration as the shareholders of the Issuer, in General Meeting, may determine. They are also entitled to be repaid all reasonable travelling and other expenses incurred by them in or about the performance of their duties as directors. The compensation received by the Directors is determined by a compensation scale for Government-owned entities promulgated by the GORTT and must be approved by the GORTT. Directors are currently paid a monthly fee which includes a travel allowance. The Issuer's executive officers receive monthly compensation and are eligible for annual bonuses.

The Issuer uses independent market salary surveys to propose compensation and bonuses for senior management. The aggregate amount of compensation paid to directors and senior officers totalled $15.5 million (inclusive of bonuses) for the six months to March 31, 2013, while total compensation paid for the year ended September 30, 2012, stood at $30.6 million. The present annual compensation levels of the Directors and senior officers are as follows:

Annual Range of Compensation (TTD)	Number of Directors and Senior Officers
Zero to Five hundred thousand	11
Five hundred thousand to one million	18
One million dollars to two million	2
Greater than two million	0

5. DIRECTORS AND SENIOR OFFICERS (continued)

Under the Companies Act Chap. 81:01, Directors and Executive Officers are entitled to be indemnified for any liability incurred by them for any acts they take (or do not take) in the performance of their duties unless such liability is the result of wilful neglect or failure to act on the part of the relevant director or executive officer. The Issuer has an insurance coverage for Directors' and Officers' liability.

APPOINTMENT OF DIRECTORS

The number of Directors is set out in the Issuer's By-Laws which stipulates that the Board shall comprise of 14 Directors. Directors will be appointed as follows:

Appointee	**Number**
Government	13
National Insurance Board	1
	14

DIRECTORS' INTEREST IN CONTRACTS

Under By-Law No.83 of the Issuer, a Director of the Issuer who is a party to a material contract or proposed material contract with the Issuer or who is a Director or Officer of any body, or has a material interest in any body, that is a party to a material contract or proposed material contract with the Issuer, shall disclose in writing to the Issuer or request to have entered in the minutes of meeting of Directors the nature and extent of his interest.

A Director who is referred to in By-Law No.83 shall not be present at, or form part of a quorum or vote on any resolution to approve a contract in which he has a material interest.

DIRECTORS INTEREST

At the time of the Offer, no Director has any interest in the share capital of the Issuer.

No Director has any material contract with the Issuer or is receiving any consideration with respect to the promotion of the Offer for Sale.

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW

ECONOMIC OUTLOOK

Trinidad & Tobago (Moody's: Baa1/Stable, S&P: A/Stable)

The Trinidad & Tobago economy has been weak and inflation has been moderating. This will allow the CBTT flexibility for further accommodative monetary policy if economic growth remains weak. However, there are nascent signs of an uptick in production in the energy sector, with increased production levels particularly for Liquified Natural Gas (LNG). The government's public sector investment program (PSIP) should also help to boost aggregate demand and provide stimulus to the economy, as long as the projects are executed.

CBTT forecasts growth of 2.5% for 2013, after the economy grew by a marginal 0.2% in 2012. The forecasted growth of 2.5% is based on modest expansion in the non-energy sector but contingent on a quicker pace of implementation of several government projects. Further, in the energy sector, the country's two largest producers of natural gas, British Gas of Trinidad & Tobago (BGTT) and British Petroleum Trinidad & Tobago (BPTT), are expected to continue maintenance work with a planned shutdown in September 2013, however, the Ministry of Energy and Energy Affairs is working with the two companies to minimise the potential impact upon the country's economic recovery. The IMF projects growth of 2% in 2013 and 2.5% in 2014. International reserves stood at USD9.2 billion at the end of 2012, equivalent to around 10 months of import cover. During the fiscal year, there were two deposits into the Heritage and Stabilisation Fund (HSF) in April 2012 (USD26.2 million) and in July 2012 (USD69.4 million). As at August 31, 2012, the net asset value of the HSF portfolio stood at USD4.55 billion.

Economic policies have been accommodating in order to bolster economic activity. The Government has adopted countercyclical policies, running two consecutive years of deficits on the fiscal accounts and the projected deficit is 4.6% of GDP in the current fiscal year, which ends in September 2013. The country's debt levels rose sharply during the first five months of FY 2013, led by increased domestic borrowing by the government. A total of TTD5.1 billion was raised through two new bond issues which were used to finance the Clico Investment Fund (CIF), which was launched in November 2012. As a result, the domestic debt outstanding of the central government to GDP ratio rose to 24.2% at the end of February 2013, from 20.8% at the end of September 2012. The total public sector debt now stands at 61.6% of GDP, from 58.4% of GDP in September 2012. Excluding Open Market Operations (OMO's), the total public debt stood at 48.7% of GDP at the end of February 2013.

CBTT cut interest rates by 25 basis points in September 2012 to its current historic low of 2.75%. Even with interest rates at a low in its cycle, credit demand has not been strong, with the exception of residential mortgages which has been robust, even in the height of the global economic crisis and the increased uncertainty in the Trinidad & Tobago economy. The lackluster growth in credit demand, both from consumers and businesses, is indicative of the ambiguity that still pervades the financial sector in the aftermath of the CL Financial collapse.

Despite the poor outturn for economic growth in 2012 for the Caribbean region, and muted expectations for 2013, the outlook on Trinidad & Tobago is stable primarily because of strong external buffers and its favourable fiscal profile. This gives the government ample room for fiscal manoeuvring to support economic growth.

Trinidad & Tobago: Selected Economic Indicators

	2008	2009	2010	2011	2012
Real GDP Growth	3.4%	(4.4%)	0.2%	(2.6%)	0.2%
GDP Growth – Non Energy	6.5%	(4.9%)	(2.6%)	0.5%	2.0%
Headline Inflation	14.5%	1.3%	13.4%	5.3%	7.2%
Core Inflation	5.8%	3.9%	4.1%	1.3%	3.1%
Unemployment rate	4.6%	5.3%	5.9%	4.9%	4.9%

Source: Central Bank of Trinidad and Tobago

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

ECONOMIC OVERVIEW (continued)

Barbados (Moody's: Ba1/Negative, S&P: BB+/Stable)

In December 2012, the Central Bank of Barbados forecasted economic growth of 0.7% for 2013, which was based on the average IMF projections of 1.73% growth in the United Kingdom, United States and Canada for the current year. Since then, the IMF has revised its forecasts and the average 2013 growth rate for these countries is now 1.36%. Indeed, the IMF's own forecast for Barbados has changed from 0.7% in October 2012 to 0.5% in April 2013. They further predict growth of 1.0% in 2014. The weak outlook for Barbados is largely the result of external factors beyond Barbados' control, namely the performance of the developed economies on which Barbados relies. The outlook on the developed economies is itself weak and will continue to hamper Barbados in the medium term.

The fiscal deficit for the fiscal year 2012 was reported at 7.3% of GDP. This compares with a deficit of 4.6% during the same period of 2011. The FY 2012 deficit exceeds the revised Medium Term Fiscal Strategy Target deficit of 4.7%. The worsening fiscal situation was attributed to a 7% fall in VAT receipts and an 18% fall in personal income tax on the revenue side with a 6% increase in subventions on the expenditure side. The Gross Government Debt to GDP ratio stood at 83.4% of GDP in March 2013, compared to a ratio of 80.2% in March 2012. Debt servicing is a massive squeeze on government revenue, with interest servicing representing a substantial 24% of revenue. Fortunately, Barbados' external debt levels are fairly low at 7.3% of foreign exchange earnings, reducing its external vulnerability.

Barbados' commercial bank sector however has been resilient, despite the challenges of the global financial sector, and the weakened domestic economic activity. The sector remains liquid and profitable, with the capital adequacy above that required by the local regulatory authorities.

Barbados: Selected Economic Indicators

	2011	**2012p[8]**	**Mar-13p[8]**
GDP Growth Rate	0.80%	0.00%	-0.40%
Tradables	-2.50%	-4.30%	-3.70%
Non-Tradables	1.70%	1.10%	0.60%
Inflation	9.40%	4.50%	3.30%
FX Reserves (BBD, millions)	1,423.3	1,464.3	1,429.7
FX Reserves Cover, weeks	17.7	19.5	19.0
	FY 2010 / 2011	**FY 2011/ 2012**	**FY 2012/ 2013**
Government interest payment (% of Revenue)	21	21.5	23.1
Fiscal deficit (% of GDP)	-9.1	-4.6	-7.3

Source: Central Bank of Barbados

Despite the weakness in the economy and the rising debt levels, the country's monetary authorities have done a good job in maintaining a steady monetary environment, with stable inflation rates (notwithstanding swings due to fuel prices) and maintenance of the fixed exchange rate to the US dollar. The Central Bank of Barbados also recently introduced a new tool for determining a market benchmark interest rate. This 'notional' Treasury bill rate (Benchmark rate) is equal to the US 90 day Treasury Bill, plus a spread (initially set at 3.53%). Benchmarking against the US Treasury Bill rate aims to keep Barbados attractive for capital inflows and also reduce the deterioration in foreign currency earnings.

Overall, the Issuer expects that the Barbados economy will slowly emerge from the cycle of negative economic growth in 2013, to register marginal growth, but the onerous debt situation will pose a serious threat to the medium-to-long term prospects.

[8]p=Projected

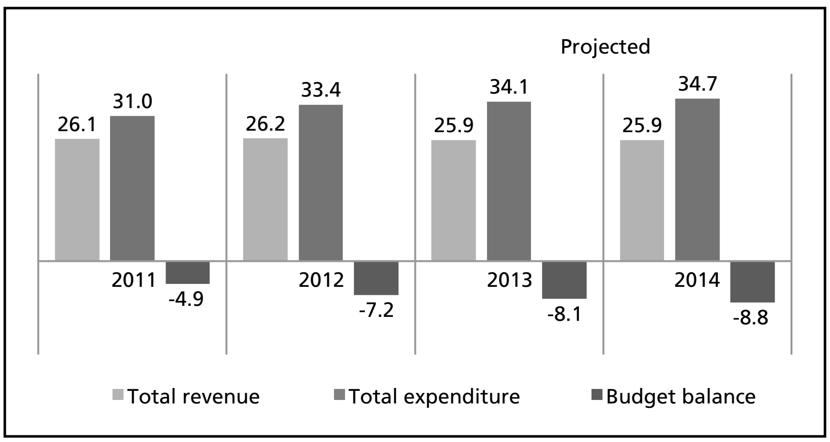
6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

ECONOMIC OVERVIEW (continued)

St. Lucia (CariCRIS: CariBBB+)

Like the other Eastern Caribbean economies, St. Lucia's growth prospects have been adversely impacted by the events in the global markets. The country is heavily reliant on the Tourism Sector which has seen a decline in tourist arrivals by 6.3%, comprised of both stay-over arrivals and cruise ship passengers. As a result of reduced airlift capacity, the United States market fell by 6.6%. However, the government has focused on diversifying tourist markets and has increased both marketing efforts and airlift related to the Canadian market which rose by 7.3%. Additionally, stay-over arrivals from the UK (+5.5%) and the rest of Europe (+25.7%) have also increased. Inflation is thus far well-contained (1.5% in the first nine months of 2012), but is still heavily influenced by global swings in commodity prices, as the country is heavily dependent on imported fuel. It should be noted that St. Lucia recently joined the Petrocaribe agreement, where the country accesses oil at lower-than-market prices from Venezuela. In an effort to boost the revenue base, the government implemented a new value added tax (VAT) in September 2012, but is expected to do more to broaden the tax base, constrain the public sector wage bill and better target transfers and subsidies in order to put the fiscal accounts on more sustainable footing.

St. Lucia – Fiscal Indicator Projections (percentage of GDP)



Source: Business Monitor International

St. Vincent and the Grenadines (Moody's Investor Services: B2/Stable)

After three consecutive years of economic contractions, the St. Vincent and the Grenadines economy is forecasted to post growth of 1.5% in 2012. While moderating slightly, growth is projected by the ECCB to continue into positive territory of 1.1% in 2013 and 1.5% in 2014. The IMF is more upbeat about a recovery beyond 2013, forecasting 1% for 2013 and 2% for 2014. The tourism sector in St. Vincent and the Grenadines is relatively small when compared to the rest of the currency union, accounting for just about 6% of the total arrivals into the ECCU. Directly, it is estimated that the tourism sector contributes about 7% to GDP, while total contribution (direct + indirect), the ratio increases to 27%. The three major sectors, accounting for close to 20% of GDP each, are Real Estate, Renting and Business Activities, Wholesale and Retail Trade and Transport, Storage and Communications. The government sector is fairly large, and is the largest employer (48% of government expenditure goes towards personal emoluments).

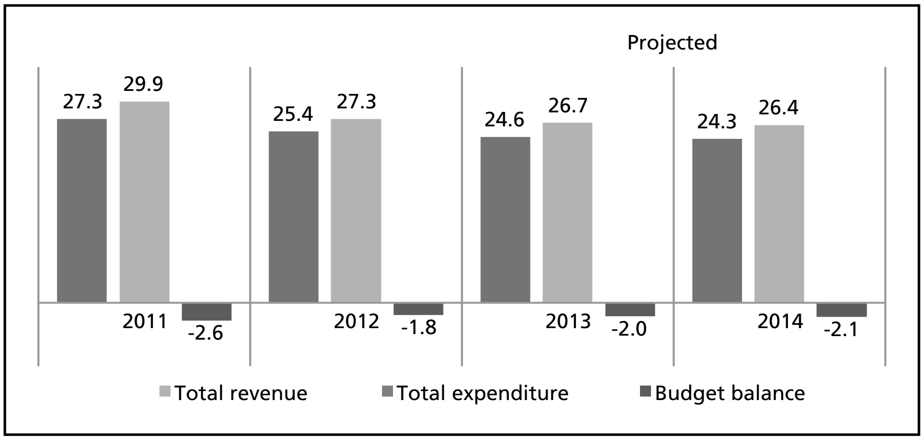
6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

ECONOMIC OVERVIEW (continued)

St. Vincent and the Grenadines (Moody's Investor Services: B2/Stable) (continued)

On the fiscal front, the deficit is likely to decline due to lower expenditure levels and increased revenues as a result of efforts to enhance tax compliance, improve collection of arrears and measures to address the weaknesses in tax administration. The government is also taking steps to improve the efficiency of social welfare programmes and state-owned enterprises. The largest expense for the government is the wage bill, and while efforts are being made to control its growth, the payment of a 1.5% salary increase owed to public servants since 2011 was paid in the last quarter of 2012, which would have added some pressure on the expenditure side.

St. Vincent and the Grenadines – Fiscal Indicator Projections (percentage of GDP)



Source: Business Monitor International

Costa Rica (Moody's: Baa3/Stable, S&P: BB/Stable, Fitch: BB+/Stable)

Costa Rica continues to enjoy economic stability as the recovery of the United States, its largest trading partner and several bi-lateral free trade agreements with Singapore, Mexico, Colombia, Peru, China and Canada over the last year, has opened new export markets and aided in economic growth of 5.1% in 2012. The primary growth drivers are manufacturing, agriculture and the services export sectors, and economic growth is expected to moderate at 4.4% in 2013. Private sector credit demand is robust with foreign currency and local currency lending increasing by 17.8% and 12.3% respectively, to moderate to 4.4% for 2013.

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

REGULATORY OVERVIEW

The Financial Institutions Act, Chap 79:09, and the Financial Institutions (Prudential Criteria) Regulations, 1994, together with the Central Bank Act Chap. 79.02, which was amended as recently as September 20, 2011, provide for the regulation and supervision of banks and other financial institutions in Trinidad & Tobago.

The Central Bank Act provides that the purpose of the Central Bank is to promote monetary, credit and exchange conditions as most favourable to the development of the economy of Trinidad & Tobago. The Central Bank is charged with the responsibility to:

1. Have the exclusive right to issue and redeem currency notes and coins in Trinidad & Tobago;
2. Act as banker for and render economic, financial and monetary advice to the Government;
3. Maintain influence and regulate the volume and conditions of supply of credit and currency in the best interest of the economic life of Trinidad & Tobago;
4. Maintain monetary stability, control and protect the external value of the TT dollar, administer external monetary reserves, encourage expansion in the general level of the production, trade and employment;
5. Undertake continuous economic, financial and monetary research; review (a) legislation affecting the financial system and (b) developments in the field of banking and financial services, which appear to be relevant to the exercise of its powers and the discharge of its duties; and
6. Undertake the duties and responsibilities assigned to it by any other law.

The Central Bank is empowered to grant or revoke licenses (Sections 21 and 23 of the FIA); recommend regulations (Section 9 of the FIA); issue cease-and-desist orders (Section 86 of the FIA); prescribe qualifications of the management and directors of banks and financial institutions; determine the suitability of the management and directors of banks and other financial institutions (Section 33 of the FIA); and generally ensure the prudent operations of banks and financial institutions in the public sector; to supervise banks and other financial institutions to determine whether they are in sound financial condition (Section 5 of the FIA). Banks and financial institutions are required to comply with guidelines issued by the Central Bank. Furthermore, the Central Bank and the FIA prescribe regular reporting requirements with which the Issuer is required to comply.

The Financial Institutions Act includes the Central Bank's supervisory jurisdiction over financial institutions by way of enhancement of its powers of consolidated supervision. Pursuant to Section 9 of the FIA, the Central Bank is able to make recommendations to the Honorable Minister of Finance to make regulations which may include but not be limited to capital adequacy and solvency requirements and capital ratios.

In addition, the FIA imposes limits on the percentage of the Issuer's total capital it is required to hold. Part VI, Section 56 1(a) of the FIA stipulates that a bank must transfer at the end of each financial year not less than 10% of its profits after taxation to a reserve fund until the amount standing to the credit of the Reserve Fund is not less than the stated capital or assigned capital of the bank.

Capital Adequacy Requirements

The Issuer is subject to various capital requirements administered by banking regulators as laid down under the FIA. The Issuer is required to maintain minimum capital amounts and ratios of Total and Tier 1 capital to risk weighted assets, as defined under the Financial Institutions (Prudential Criteria) Regulations, 1994. These standards correspond with Basel standards which require a bank to maintain a minimum capital adequacy requirement (qualifying capital) of at least 8% of the bank's risk-weighted assets.

The Issuer continues to exceed the capital adequacy requirements mandated by the FIA, and as at March 31, 2013, its qualifying capital to risk adjusted assets ratio stood at 61% (September 30, 2012: 58%). The Issuer believes that it will continue to remain in full compliance with regulated capital adequacy requirements. Additionally, the Issuer is required to provide the Central Bank with various statements and reports over periods and times specified by the Central Bank as required by the FIA.

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

REGULATORY OVERVIEW (continued)

The Issuer, FCAM, FCIS, FCSTL and FCBAS are registrants registered under Section 51 (1) of the SA, 2012. The Securities Act is the legislation which provides for the creation of the TTSEC, whose functions are to:

(a) advise the Minister on all matters relating to the securities industry;

(b) maintain surveillance over the securities industry and ensure orderly, fair and equitable dealings in securities;

(c) register, authorise or regulate, in accordance with the SA 2012, self-regulatory organisations, broker-dealers, registered representatives, underwriters, issuers and investment advisers, and control and supervise their activities with a view to maintaining proper standards of conduct and professionalism in the securities industry;

(d) regulate and supervise the timely, accurate, fair and efficient disclosure of information to the securities industry and the investing public;

(e) conduct such inspections and examinations of self-regulatory organisations, broker-dealers, registered representatives, underwriters, issuers and investment advisers as may be necessary for giving full effect to the SA 2012;

(f) protect the integrity of the securities market against any abuses arising from market manipulating practices, insider trading, conflicts of interest, and other unfair and improper practices;

(g) educate and promote an understanding by the public of the securities industry and the benefits, risks, and liabilities associated with investing in securities;

(h) co-operate with and provide assistance to regulatory authorities in Trinidad & Tobago, or elsewhere;

(i) ensure compliance with the Proceeds of Crime Act, the Anti-Terrorism Act, any other written law in relation to the prevention of money laundering and combating the financing of terrorism or any other written law that is administered or supervised by the SEC;

(j) create and promote such conditions in the securities industry as may seem to it necessary, advisable or appropriate to ensure the orderly growth and development of the securities industry and to further the purposes of the SA 2012; and

(k) co-operate with other jurisdictions in the development of a fair and efficient securities industry.

The Issuer and its subsidiaries as set out above therefore have ongoing reporting obligations and obligations to register their issues of securities unless such are otherwise exempt, and accordingly have duties to maintain their registrations and be compliant generally and specifically with the provisions of the SA, 2012.

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

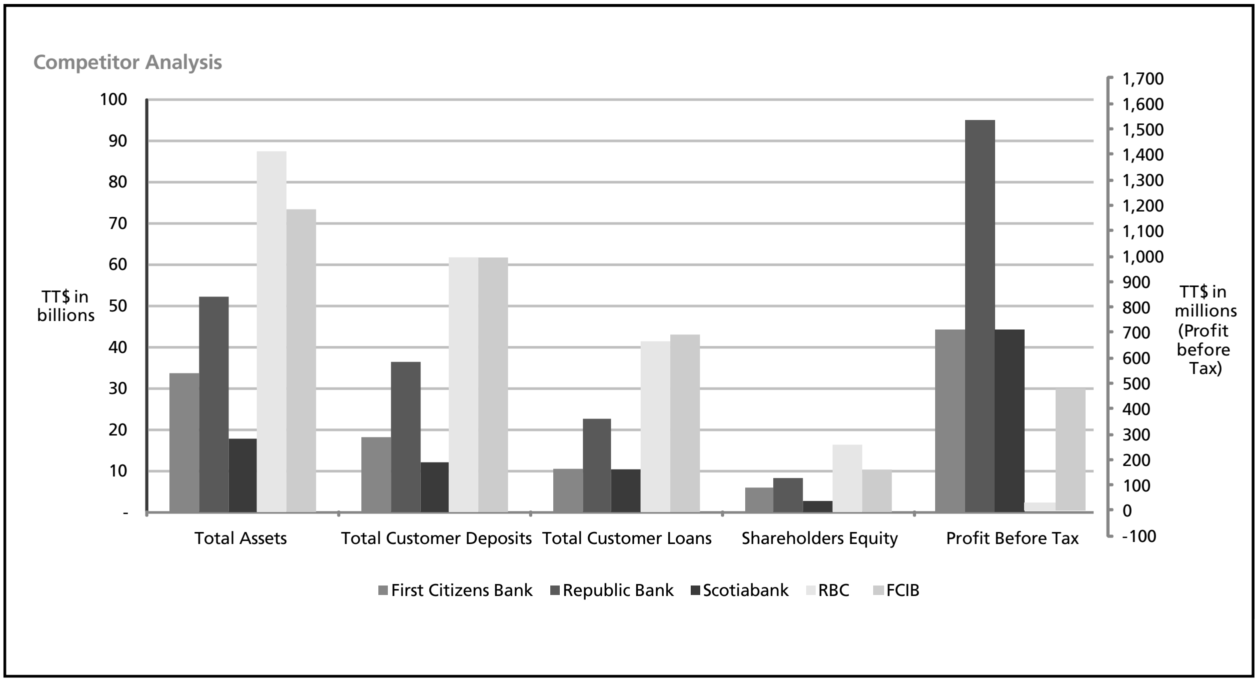
THE BANKING INDUSTRY

The banking industry in Trinidad & Tobago is relatively well-developed due primarily to the country's established energy and petrochemical industry and strong manufacturing base, as compared to the agriculture and tourism-based economies of the wider Caribbean region.

Apart from the Issuer, there are currently seven other commercial banks licensed under the FIA by the Central Bank to operate in Trinidad & Tobago, namely:

- Citibank (Trinidad & Tobago) Limited (Citibank)
- FirstCaribbean International Bank Limited (FCIB)
- Intercommercial Bank Limited (IBL)
- Republic Bank Limited (RBL)
- RBC Financial (Caribbean) Limited (RBC)
- Scotiabank Trinidad & Tobago Limited (Scotia)
- Bank of Baroda (Trinidad & Tobago) Limited (BoB)

The chart below illustrates the primary market participants operating in Trinidad & Tobago and within the region.



Source: Annual Reports for the Companies financial years ended in 2012

6. ECONOMIC OUTLOOK AND BANKING SECTOR OVERVIEW (continued)

THE BANKING INDUSTRY (continued)

Competition also arises from other financial institutions, including credit unions, unit trusts, insurance companies, merchant and investment banks, and finance companies which offer similar products and services. Of the eight locally registered banks, FCIB, RBL and Scotia are publicly traded on the TTSE. Further, National Commercial Bank of Jamaica has obtained a cross listing on the TTSE but operates only in Jamaica.

BANKING SECTOR PERFORMANCE OVERVIEW

The loan demand from the business sector, which had been declining for most of 2011, staged a partial recovery in 2012, growing by 2.3% in August. A further examination of the commercial bank loan portfolios shows that there was a year-on-year increase in lending to the manufacturing (18.1%), construction (7.2%), distribution (6.3%) and other services (14.6%) sectors. However, there was a contraction in lending to the finance, insurance and real estate sector in the twelve months to June 2012 (-6.3%).

Commercial Bank Interest Rates

	2008	2009	2010	2011	2012
Ordinary Savings Deposit Rate	2.1%	1.1%	0.4%	0.3%	0.2%
Basic Prime Lending Rate	12.4%	11.9%	9.3%	8.0%	7.7%
Demand Loans Rate	12.3%	12.3%	9.5%	8.0%	7.8%
Overdraft Loans Rate	13.3%	12.2%	9.5%	8.0%	7.8%
Real Estate Mortgage Loan Rate	12.0%	11.6%	9.2%	7.9%	7.7%
Term Loan Rate	12.3%	11.9%	9.3%	8.0%	7.7%

Source: Central Bank of Trinidad and Tobago

Among the major categories of credit, consumer lending grew very slowly expanding by an average of 0.4% (year-on-year) in the second quarter of 2012. A disaggregation of the consumer credit data showed that lending for used vehicles declined by 9.2% while credit card borrowing contracted 1.3%. Borrowing for the purpose of debt consolidation and refinancing, which had been growing as consumers took advantage of low interest rates, also slowed sharply from March to June (10.2% to 4.9% and 8.6% to 5.2%, respectively). The latest available data suggest that consumer credit has begun to slow once more. The modest private sector credit demand and large fiscal injections have led to a rise in liquidity in the financial system toward the end of the year. In this liquid financial environment, interest rates, including those on government securities, fell further.

It should be noted that the CBTT introduced a Residential Real Estate Mortgage Market Guideline which went into effect on September 14, 2011. This was established to provide rules for the domestic residential mortgage market—all commercial banks and their affiliated non bank financial institutions that grant residential mortgages. A key aspect of the Guideline is the new Mortgage Market Reference Rate (MMRR), which is an interest rate benchmark against which all residential mortgage rates are to be priced and re-priced. This MMRR is computed by the Central Bank using information on commercial banks' funding costs and yields on applicable treasury bonds, and is announced on a quarterly basis. The MMRR was first introduced in December 2011 at a benchmark rate of 3.5 per cent and as at March 2013, which is based on data for the quarter ending December 2012, at 2.5 per cent.

7. STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL INFORMATION

Management is responsible for ensuring that the financial information presented within this document including the Five Year Summary Consolidated Financial Statements to 30 September 2012, the Unaudited Interim Financial Statements for the six months ended 31 March 2013, the Financial Projections to 30 September 2013 and the Consolidated Financial Statements for the year ended 30 September 2012 are a fair and true presentation of the state of affairs of the First Citizens Group which includes ensuring that the systems from which the statements are derived are designed and properly monitored in a manner which would allow accurate information to be provided. In addition, management is responsible for ensuring that the information presented is free from material misstatement whether due to fraud or error.

Management accepts responsibility for the financial information included within this document as well as the responsibility for the maintenance of the accounting records and internal controls which form the basis of the financial statements.

The Five Year Summary Consolidated Financial Statements of the First Citizens Group have been derived from the consolidated financial statements for the years ended 30 September 2008, 2009, 2010, 2011 and 2012.

The financial statements of the First Citizens Group have been prepared in accordance with International Financial Reporting Standards and the appropriate accounting policies have been established and applied in a manner which gives a true and fair view of the Group's financial affairs and operating results.

The Condensed Interim Financial Results of the First Citizens Group for the six months ended 31 March 2013 have been prepared in accordance with International Financial Reporting Standards.

The Financial Projections to 30 September 2013 has been compiled on the basis of the assumptions set out therein and the basis of accounting used is consistent with the accounting policies of the Group.

In addition, it is noteworthy to mention that nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the date of this document.

____
Group Chief Executive Officer
May 16, 2013

____
Chief Financial Officer
May 16, 2013

8. ACCOUNTANT'S REPORT ON THE FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of
First Citizens Bank Limited

Introduction

The accompanying summary consolidated financial statements of First Citizens Bank Limited and its subsidiaries (the Group), which comprise the summary consolidated statements of financial position as at 30 September 2008, 2009, 2010, 2011 and 2012 and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended are derived from the audited consolidated financial statements of the Group for the respective years. We expressed unmodified audit opinions on those financial statements in our reports dated 19 December 2008, 21 December 2009, 22 December 2010, 23 December 2011 and 28 December 2012. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the dates of our reports on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis described in Note 1.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the five years ended 30 September 2012 are a fair summary of those consolidated financial statements, on the basis described in Note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers
20 May 2013
Port of Spain
Trinidad, West Indies

9. FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at				
	Sep-08 Restated[9] $'000	**Sep-09 Restated[9] $'000**	**Sep-10 $'000**	**Sep-11 $'000**	**Sep-12 $'000**
ASSETS					
Cash and statutory deposits	3,146,310	3,851,281	4,077,817	5,672,470	6,896,292
Financial assets					
- Investments	4,120,508	12,458,979	12,983,878	12,448,852	12,567,767
- Loans and receivables less allowances for losses :					
Loans to customers	6,455,942	7,431,916	8,431,638	8,799,756	10,325,556
Loan notes	1,074,583	2,534,613	2,744,071	2,677,187	2,607,625
Investment in joint ventures and associate	118,773	125,440	124,607	128,982	135,408
Property, plant and equipment	374,177	400,888	393,348	422,492	446,106
Intangible assets	—	177,973	156,886	157,735	211,120
Retirement benefit asset	260,042	280,055	278,377	254,186	228,659
Other assets	293,031	453,349	343,741	598,633	614,705
TOTAL ASSETS	15,843,366	27,714,494	29,534,363	31,160,293	34,033,238
LIABILITIES					
Customers' deposits and other funding instruments	10,260,900	20,320,013	21,518,393	22,689,015	24,933,432
Derivative financial instruments	—	—	16,527	—	—
Due to other banks	557,766	452,460	169,318	80,099	63,251
Creditors and accrued expenses	204,351	404,234	401,761	250,443	781,142
Debt securities in issue	2,090,578	2,382,209	2,470,678	2,936,615	2,448,358
Notes due to parent company	58,000	58,000	58,000	58,000	58,000
TOTAL LIABILITIES	13,171,595	23,616,916	24,634,677	26,014,172	28,284,183
CAPITAL AND RESERVES ATTRIBUTABLE TO THE PARENT COMPANY'S EQUITY HOLDERS					
Share capital	340,000	640,000	640,000	640,000	643,557
Statutory reserve	370,025	697,968	699,282	661,446	666,132
Retained earnings	1,847,316	1,942,343	2,434,768	2,932,315	3,267,083
Other reserves	114,430	817,267	1,125,636	912,360	1,172,283
TOTAL SHAREHOLDERS' EQUITY	2,671,771	4,097,578	4,899,686	5,146,121	5,749,055
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,843,366	27,714,494	29,534,363	31,160,293	34,033,238

[9]Statement of financial position data and statement of change in equity for fiscal years 2008 and 2009 have been adjusted to take into account changes in presentation for fiscal year 2010, as well as the restatements required for the correction of the following prior period adjustments: (i) adjustment to recognise a deferred tax asset for unutilised tax losses; (ii) adjustment to recognise fair value adjustments on the business combination; and (iii) adjustment to record deferred tax arising from the business combination. This restatement did not affect the statement of cash flows for the years.

9. FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012 (continued)

SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years ended				
	Sep-08 Restated[10] $'000	**Sep-09 Restated[10] $'000**	**Sep-10 $'000**	**Sep-11 $'000**	**Sep-12 $'000**
Net Interest Income	647,288	936,334	1,169,645	1,125,519	1,096,303
Other income	229,699	277,911	272,340	326,806	423,038
Total Net Income	876,987	1,214,245	1,441,985	1,452,325	1,519,341
Impairment loss on loans and investments net of recoveries	915	(117,813)	(137,204)	(93,485)	(66,785)
Operating expenses	(383,131)	(491,313)	(647,340)	(678,757)	(752,548)
Operating Profit	494,771	605,119	657,441	680,083	700,008
Share of profit in associate and joint venture	8,249	16,276	13,689	8,470	14,156
Profit Before Taxation	503,020	621,395	671,130	688,553	714,164
Taxation	57,119	(69,297)	(44,449)	29,638	(267,772)
Profit For The Year	560,139	552,098	626,681	718,191	446,392
Other Comprehensive Income					
Exchange difference on translation	395	484	10,038	278	5,057
Revaluation of available for sale assets and property net of tax	54,429	706,944	301,551	(209,215)	254,732
Share of other comprehensive income of associates and JV accounted for under equity method	—	(3,699)	(3,220)	152	134
Total Other Comprehensive Income	54,824	703,729	308,369	(208,785)	259,923
Total Comprehensive Income For The Year	614,963	1,255,827	935,050	509,406	706,315

[10]Statement of Comprehensive Income data for fiscal years 2008 and 2009 has been adjusted to take into account changes in presentation for fiscal year 2010, as well as the restatements required for the correction of the following prior period adjustments: (i) adjustment to recognize a deferred tax asset for unutilised tax losses; (ii) adjustment to recognise fair value adjustments on the business combination; and (iii) adjustment to record deferred tax arising from the business combination. This restatement did not affect the Statement of Cash Flows for these years.

9. FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012 (continued)

SUMMARY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital $'000	Statutory Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total Shareholders' Equity $'000
Balance at October 1, 2011	640,000	661,446	912,360	2,932,315	5,146,121
Total comprehensive income for the year	—	—	259,923	446,392	706,315
Dividends	—	—	—	(106,938)	(106,938)
Transfer to statutory reserve	—	4,686	—	(4,686)	—
Issued shares	3,557	—	—	—	3,557
Balance at September 30, 2012	643,557	666,132	1,172,283	3,267,083	5,749,055
Balance at October 1, 2010	640,000	699,282	1,125,636	2,434,768	4,899,686
Profit for the year	—	—	—	718,191	718,191
Total comprehensive income for the year	—	—	(213,276)	4,491	(208,785)
Dividends	—	—	—	(262,971)	(262,971)
Transfer from statutory reserves	—	(37,836)	—	37,836	—
Balance at September 30, 2011	640,000	661,446	912,360	2,932,315	5,146,121
Balance as restated as at October 2009	640,000	697,968	817,267	1,942,343	4,097,578
Total comprehensive income for the year	—	—	308,369	626,681	935,050
Dividends	—	—	—	(132,942)	(132,942)
Transfer to statutory reserve	—	1,314	—	(1,314)	—
Balance at September 30, 2010	640,000	699,282	1,125,636	2,434,768	4,899,686
Balance as restated as at October 1, 2008	340,000	370,025	114,430	1,847,316	2,671,771
Total comprehensive income for the year	—	—	703,506	552,098	1,255,604
Transfer of reserve on sale of property, plant and equipment	—	—	(669)	892	223
Dividends	—	—	—	(130,020)	(130,020)
Transfer to statutory reserve	—	327,943	—	(327,943)	—
Capital injection	300,000	—	—	—	300,000
Balance as restated at September 30, 2009	640,000	697,968	817,267	1,942,343	4,097,578
Balance as restated at October 1, 2007	340,000	369,165	59,606	1,423,901	2,192,672
Total comprehensive income for the year	—	—	54,824	560,139	614,963
Dividends	—	—	—	(135,864)	(135,864)
Transfer to statutory reserve	—	860	—	(860)	—
Balance as restated at September 30, 2008	340,000	370,025	114,430	1,847,316	2,671,771

9. FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012 (continued)

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended				
	Sep-08 $'000	**Sep-09 $'000**	**Sep-10 $'000**	**Sep-11 $'000**	**Sep-12 $'000**
Profit before taxation	503,020	621,395	671,130	688,553	714,164
Adjustments to reconcile profit to net cash provided by operating activities:	(41,098)	83,487	266,718	45,301	127,857
Cash flows from operating activities before changes in operating assets and liabilitie	461,922	704,882	937,848	733,854	842,021
Net change in loans to customers	(517,782)	(1,110,280)	(1,111,921)	(296,227)	(1,588,787)
Net change in customers' deposits and other funding	(604,293)	9,971,345	1,234,047	1,170,622	2,244,418
Net change in other assets	(26,784)	(76,199)	(74,447)	(197,418)	13,922
Net change in statutory deposits with Central Bank	(593,562)	(719,651)	(828,947)	(705,243)	(375,080)
Net change in creditors and accrued expenses	9,530	56,533	(26,453)	27,935	208,946
Taxes paid	(32,752)	(27,586)	(32,519)	(51,592)	(62,205)
Net cash flow from operating activities	(1,303,721)	8,799,044	97,608	681,931	1,283,235
Cash Flows From Investing Activities					
Net change in investments	(879,965)	(7,580,737)	(109,637)	165,463	275,129
Repayment on loan notes receivable	76,756	(1,460,030)	(209,458)	73,700	73,700
Repayment of derivative financial instrument	—	—	—	(16,527)	—
Net change in short-term investments	147,369	(58,849)	(359,018)	(58,025)	121,001
Proceeds from disposal of property, plant and equipment	214	4,579	1,112	768	5,673
Acquisition of subsidiary, net cash acquired	—	7,296	—	—	(83,780)
Investment in joint venture	(180)	—	—	—	—
Purchase of property, plant and equipment	(48,917)	(113,471)	(49,675)	(86,615)	(77,165)
Net cash flow from investing activities	(704,723)	(9,201,212)	(726,676)	78,764	314,558
Cash Flows From Financing Activities					
Net change in debt securities	490,000	572,900	74,983	461,331	(488,565)
Issue of shares	—	—	—	—	3,557
Dividend paid	(132,942)	(132,942)	(132,942)	(262,971)	(106,938)
Net cash flow from financing activities	357,058	439,958	(57,959)	198,360	(591,946)
Effect of exchange rate changes	(5,022)	(6,015)	8,740	(38,451)	(19,257)
Net (decrease)/increase in cash and cash equivalents	(1,656,408)	31,775	(678,287)	920,604	986,590
Cash and cash equivalents at beginning of year	2,416,568	760,160	791,936	113,649	1,034,253
Cash and cash equivalents at end of year	760,160	791,935	113,649	1,034,253	2,020,843

9. FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012 (continued)

SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Years ended				
	Sep-08 $'000	**Sep-09 $'000**	**Sep-10 $'000**	**Sep-11 $'000**	**Sep-12 $'000**
REPRESENTED BY:					
Cash and due from banks and statutory deposits (as per consolidated statement of financial position)	3,146,310	3,851,281	4,077,817	5,672,470	6,896,292
Statutory deposits	(1,817,886)	(2,537,537)	(3,366,484)	(4,071,727)	(4,446,808)
Due to other banks	(557,766)	(452,460)	(169,318)	(80,099)	(63,251)
Short term investments (maturity over 3 months)	(10,498)	(69,349)	(428,366)	(486,391)	(365,390)
	760,160	791,935	113,649	1,034,253	2,020,843

NOTES TO THE FIVE YEAR SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO SEPTEMBER 30, 2012

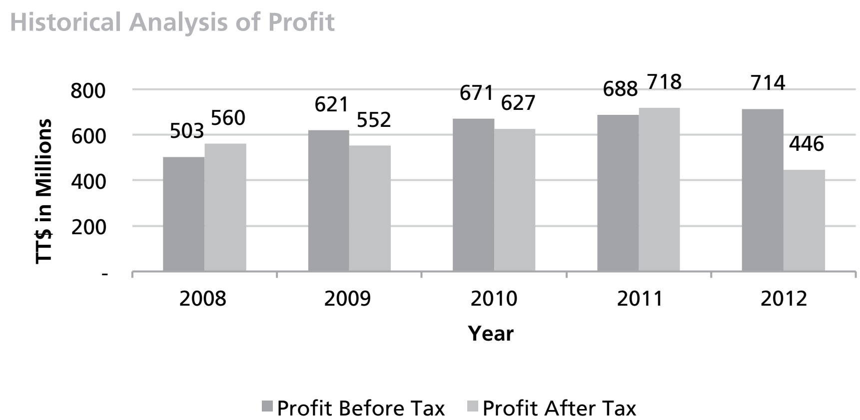
Note 1 Basis of preparation

These summary consolidated financial statements have been derived from the consolidated financial statements for the years ended September 30, 2008, 2009, 2010, 2011 and 2012.

10. FIVE YEAR PERFORMANCE SUMMARY

Performance Overview

Profit before tax has increased year-over-year in the five year history. The main factors driving these increases were increases in net interest income, increases in other income (like fees and commissions), partially offset by increases in administrative and other operating expenses. Detailed commentary of the major underlying performance drivers by fiscal year is provided in the following sections. The decline in profit after tax between 2012 and 2011 was due to a change in tax estimate for 2011 which resulted in an additional one-off charge of approximately $128.3 million in 2012. Had the impact of this charge been recorded in the respective year of income, the profit after tax for 2012 and 2011 would have been $574.7 and $589.9 million respectively.



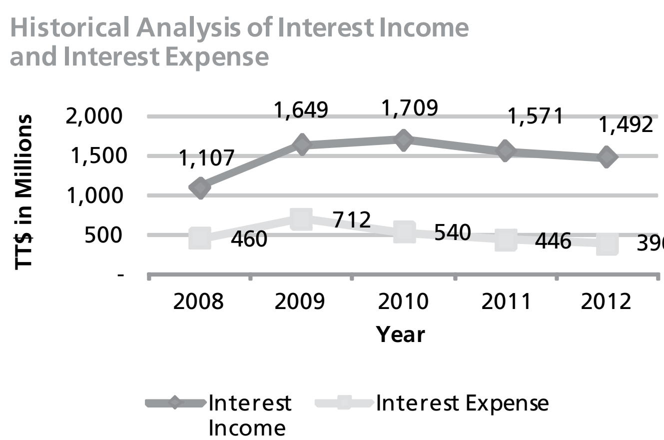
The Group continues to identify threats to the financial sector and to formulate strategies to mitigate such risks. In particular, the slowing of the economy, coupled with the challenges in the domestic market (high liquidity, weak demand for credit, low interest rates and reduction in credit quality) required the Issuer to take proactive measures to manage its loan and investment portfolios especially during the last two fiscal years.

Net Interest Income

Net interest income is the most significant contributor to the Group's net income. It accounted for 72.2% of the Group's total net income for fiscal year 2012.

Fiscal year 2009 vs 2008. Net interest income increased by $289.0 million to $936.3 million (2009 vs 2008), primarily due to a $541.9 million increase in interest income which was largely attributable to the acquisition of CMMB and certain of its subsidiaries in February 2009. This was partially offset by a $252.9 million increase in interest expense (2009 vs 2008) which was principally due to a significant increase in customer deposits, other funding instruments and bonds payable.

Fiscal year 2010 vs 2009. The $233.3 million increase y-o-y was due to a $60.7 million increase in interest income due to increased average loans and investment volumes, primarily to corporate and commercial customers, which was partly offset by decreased interest rates on both loans and investments to customers.



10. FIVE YEAR PERFORMANCE SUMMARY (continued)

Net Interest Income (continued)

The increase in average investment volumes resulted in part from the consolidation of the operations of FCIS (formerly CMMB) for the full 2010 fiscal year. With respect to fiscal year 2009, these operations were consolidated from the date of CMMB's acquisition.

Fiscal years 2010 to 2012. As noted in the performance overview above, over the last two fiscal years the greatest challenge for the Group was managing interest rate spreads, as reduced economic activity in the region, along with increases in inflation and high unemployment, continued to dampen credit demand.

Over the fiscal year ended 2011, all categories of interest income decreased, resulting in an overall reduction of $138 million or 8.1% to $1,571 million. Loans interest income decreased by 7% to $674 million. Although the loans to customers net of provision increased by approximately $369 million, interest income decreased due to a significant reduction in interest rates. Interest expense decreased by $93.8 million or 17.4% to $446 million, due to the reduction in the cost of funds due to decreasing customer deposits and repurchase agreements interest rates.

During the 2012 fiscal year, the Trinidad and Tobago repo rate was reduced from 3.0% at the beginning of the financial year to 2.75% as at September 30, 2012. Prime lending rate was maintained at 7.75% for the year ended September 30, 2012. The Group, however, managed to maintain its interest rate spreads with effective interest expense management, helped by growth in the retail and commercial sectors, specifically real estate mortgages. Net interest income decreased by $79.0 million or 5.0% to $1,492 million, due primarily to a $82.7 million decrease in investment income; partially offset by a $15 million increase in loan interest income. This increase was due to the lack of availability of investments and declining yields. Loans interest income increased by 2.3% to $689 million. Although the loans to customers net of provision increased by approximately $1.5 billion, the increase in interest income was not as significant due to the acquisition of FCBBL at the end of August 2012. As such, only one month of interest income was consolidated in the income statement. Interest expense decreased by $49.8 million or 11.2% to $396.1 million as a result of a reduction in the cost of funds due to falling interest rates for both customer deposits and repurchase agreements.

Non-interest income

The Group, in an attempt to mitigate its risks against any negative effects of decreasing yields and resulting tightening of interest spreads, sought to improve non-interest income. From fiscal year 2008 to 2012, non-interest income has grown by 84.2% or $193.3 million to $423.0 million. The most significant contributor to this growth was fees and commissions.

Non-interest expense

Total non-interest expense has increased historically due to increases in wages and salaries resulting from increased headcount, mainly from the acquisitions of FCIS (formerly CMMB) in 2009 and FCBBL in 2012. These headcount increases also impacted pension expenses and other administrative expenses. In addition, operating expenses have increased primarily due to increased technical and professional fees, hardware and software expenses and advertising expenses.

In 2012 vs 2011, total non-interest expense increased by $47.1 million or 6.1%, amounting to $819.3 million at the end of September 2012. This increase is mainly due to the increase in staff expenses and operating expenses, offset by decreases in impairment provision. The Group's efficiency ratio - the ratio of non-interest expenses (excluding impairment provision) to total income - increased to 49.5% in 2012. The Group continues to renew its commitment to strive towards increasing efficiency of utilisation of resources and controlling its expense levels, while delivering superior customer service.

10. FIVE YEAR PERFORMANCE SUMMARY (continued)

The following table sets forth a summary of changes in interest income and interest expense resulting from changes in volumes (average balances) and changes in rates, for fiscal years 2010 to 2012.

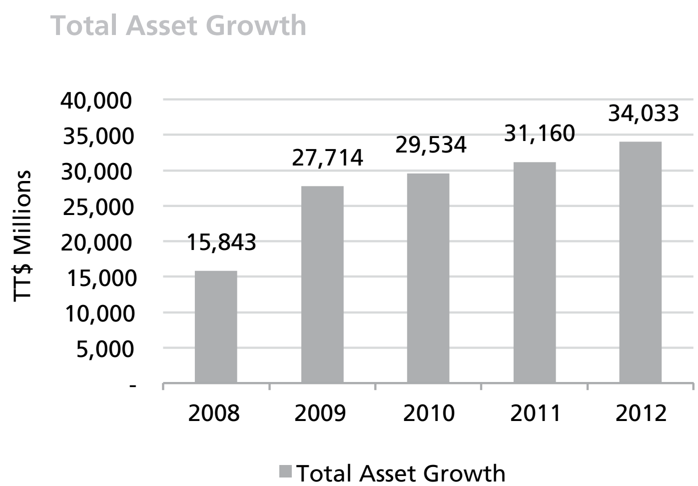
	Year ended September 30, 2010 vs September 30, 2011				Year ended September 30, 2011 vs September 30, 2012			
	Increase/(decrease) due to				Increase/(decrease) due to			
	Changes in volume	Changes in rate	Changes in rate/ volume	Total increase/ (decrease)	Changes in volume	Changes in rate	Changes in rate/ volume	Total increase/ (decrease)
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Interest Income Attributable to:								
Investment securities	(326)	(65,949)	26	(66,249)	(12,326)	(71,551)	1,171	(82,706)
Loans to customers	59,164	(101,985)	(8,321)	(51,142)	68,959	(48,872)	(5,000)	15,087
Loan notes	4,447	(24,371)	(658)	(20,582)	(3,626)	(7,964)	200	(11,390)
Total increase in interest income	63,285	(192,305)	(8,953)	(137,973)	53,007	(128,387)	(3,629)	(79,009)
Interest Expense Attributable to:								
Customers' deposits	4,688	(107,060)	(2,178)	(104,550)	11,373	(72,234)	(6,527)	(67,388)
Other funding instruments	35,559	(81,699)	(14,214)	(60,354)	6,153	15,250	652	22,055
Due to other banks	(6,190)	(10,152)	6,110	(10,232)	(22)	4,650	(1,977)	2,651
Debt securities in issue	9,475	65,282	6,532	81,289	(2,559)	(4,618)	67	(7,110)
Total increase in interest expense	43,532	(133,629)	(3,750)	(93,847)	14,945	(56,952)	(7,785)	(49,792)
Increase/(decrease) in net interest income	19,753	(58,676)	(5,203)	(44,126)	38,062	(71,435)	4,156	(29,217)

Assets

2009 vs 2008. The Group's total assets increased in 2009 due primarily to the acquisition of CMMB as well as growth in the loan and deposit business. The acquisition of the CIB deposit portfolio added another $1.6 billion to customer deposits; the corresponding asset to match these new deposits was represented by an increase in loan notes receivable from Central Bank.

2009 to 2011. Growth in these years was driven mainly as a result of increases in loans to customers and other financial assets.

2012 vs 2011. Total assets as at the end of September 2012 were $34.0 billion, up by $2.9 billion or 9.2% over 2011. This increase is mainly as a result of the acquisition of FCBBL, which accounted for $1.8 billion of the increase. There was also organic increases in loans to customers and other financial assets specifically, cash and amounts due from other banks.



The Loan Portfolio

The net loan portfolio has increased by $1.5 billion, from $6.4 billion (September 30, 2008) to $10.3 billion (September 30, 2012). The major drivers to the increase in the loan portfolio were organic growth mainly in loans to corporate customers and the Barbados acquisition ($1.2 billion in 2012). The major contributors to the remaining loan growth over the five year historic period were construction, real estate mortgages and consumer sectors.

10. FIVE YEAR PERFORMANCE SUMMARY (continued)

Non-performing loans as a percentage of total gross loans remained fairly consistent at 4.56% at the close of 2012 as compared to 2011 (4.55%). This ratio ranged between 0.8% (2008) to 1.16% (2010).

Loan loss provision

The Group accounts for the credit risk associated with lending activities through its allowance for bad and doubtful debts. This allowance, as determined through the application of the Group's loan loss provision model, is an expense recognised in the income statement. In 2009, as a result of the increased economic risk in the operating environment and the risk exposure from the acquisition of CMMB, the Group conducted a sensitivity analysis to maintain the necessary provisioning on its loan portfolio and has continued this practice annually thereafter. The total provision for the Group at the end of September 2012 amounted to $288.5 million, which represents 2.7% of total loans and 0.6 times coverage on the value of total non-performing loans. (2011: $225.5 million provision; 2.5% of total loans and 0.5 times coverage).

Investment portfolio

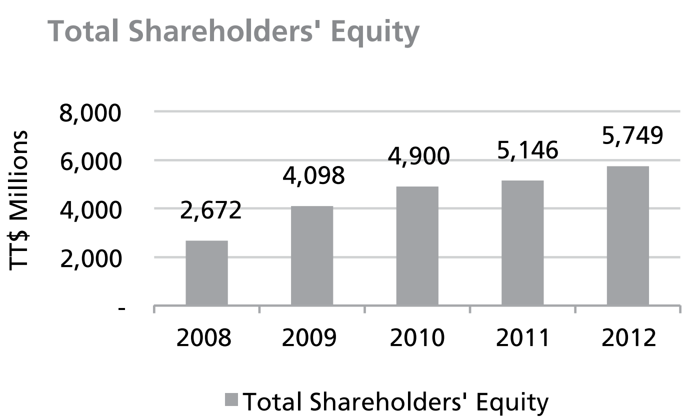
Available-for-sale investments increased in 2009 largely due to the addition of CMMB's investment portfolio which represented approximately $4.5 billion of the $5.97 billion increase. Available-for-sale investments increased marginally during 2012 to $9.2 billion from $8.8 billion (2011). This was mainly due to an increase in fair values and moderate investment opportunities, encouraging more investments in short-term instruments.

Provision for taxation

Taxation increased for the fiscal year 2009 compared to 2008 from an effective tax rate of 7.8% to 11.2%. This increase was as a result of increased tax brought on the books in connection with the CMMB acquisition, offset by the First Citizens (St. Lucia) Limited operations, which operates in a jurisdiction where profit is taxed at 1%.

In 2012, the Group recorded a taxation charge for the year of $267.8 million. This was due to management re-assessing its tax strategy in relation to the pursuit of tax benefits to be derived from derivative instruments. This change in strategy, which was done after careful evaluation of all relevant factors and in consultation with its tax advisors but prior to the filing of its 2011 corporation tax return, resulted in a difference between the tax liability as per the tax return for 2011 and the estimate of the tax provision recognised in the financial statements for the year ended September 30, 2011, as well as changes to the deferred income tax estimates. This change in estimate, amounting to an additional one-off tax charge of $128.3 million in 2012, was recognised in the income statement in 2012, in accordance with the relevant International Financial Reporting Standards.

Shareholders' Equity



In July 2009, the Bank received a $300 million capital contribution from the GORTT. During 2012, approximately 14.8 million shares were issued to FCHL in relation to this capital contribution. In addition, revaluations of available-for-sale investment securities are reflected in fair value reserves which have increased reserves over the period 2009 to 2012. In 2012, total shareholders' equity increased by $0.6 billion over 2011 to $5.7 billion, due to the increase in net profit for the year and a favorable movement in fair value reserves of $260 million, offset by a dividend of $106.9 million paid to shareholders.

As at the fiscal 2012 year end, the Group was well capitalised with a Tier 1 capital adequacy ratio of 58.0%, which is well above the required capital adequacy ratio of 8.0% under the FIA.

11. ACCOUNTANT'S REPORT ON THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013

To the Directors of
First Citizens Bank Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of First Citizens Bank Limited and its subsidiaries (the Group) as at 31 March 2013 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising a summary of significant accounting policies and other selected explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 31 March 2013, and its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
20 May 2013
Port of Spain
Trinidad, West Indies

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Unaudited As at		Audited As at
	Mar-13 $'000	Mar-12 $'000	Sep-12 $'000
ASSETS			
Cash and statutory deposits	7,887,310	6,126,275	6,896,292
Financial assets			
- Investments	12,866,232	12,196,118	12,567,767
- Loans and receivables less allowance for loan losses:			
Loans to customers	11,223,898	8,601,810	10,325,556
Loans notes	2,573,071	2,643,695	2,607,625
Investment in joint ventures and associate	136,826	132,242	135,408
Property, plant and equipment	438,219	408,385	446,106
Intangible assets	211,120	156,886	211,120
Retirement benefit asset	204,274	241,302	228,659
Other assets	521,690	875,641	614,705
TOTAL ASSETS	36,062,640	31,382,354	34,033,238
LIABILITIES			
Customers' deposits and other funding instruments	26,664,418	22,882,297	24,933,432
Due to other banks	81,091	103,098	63,251
Creditors and accrued expenses	768,258	291,493	781,142
Debt securities in issue	2,450,062	2,445,756	2,448,358
Notes due to parent company	58,000	58,000	58,000
TOTAL LIABILITIES	30,021,829	25,780,644	28,284,183
CAPITAL AND RESERVES ATTRIBUTABLE TO THE PARENT COMPANY'S EQUITY HOLDERS			
Share capital	643,557	640,000	643,557
Statutory reserve	666,132	662,124	666,132
Other reserves	1,157,593	1,025,142	1,172,283
Retained earnings	3,573,529	3,274,444	3,267,083
TOTAL SHAREHOLDERS' EQUITY	6,040,811	5,601,710	5,749,055
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,062,640	31,382,354	34,033,238

On May 16, 2013, the Board of Directors of First Citizens Bank Limited authorised these consolidated interim financial statements for issue.

______________________ Director　　　　______________________ Director

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 Months Ended		Audited Year Ended
	Mar-13 $'000	Mar-12 $'000	Sep-12 $'000
Net Interest Income	579,235	543,150	1,096,303
Other income	246,616	216,368	423,038
Total Net Income	825,851	759,518	1,519,341
Impairment loss on loans and receivables net of recoveries	(19,976)	(56,433)	(66,785)
Operating expenses	(422,045)	(360,509)	(752,548)
Operating Profit	383,830	342,576	700,008
Share of profit in associates and joint ventures	4,885	6,101	14,156
Profit Before Taxation	388,715	348,677	714,164
Taxation	(82,269)	(5,870)	(267,772)
Profit For The Period	306,446	342,807	446,392
Other Comprehensive Income:			
Exchange difference on translation and	770	2,366	5,057
Revaluation of available-for-sale assets and property, net of tax	(15,644)	110,416	254,732
Share of other comprehensive income of associates and joint ventures accounted for under equity method	184	—	134
Total Other Comprehensive Income	(14,690)	112,782	259,923
Total Comprehensive Income For The Period	291,756	455,589	706,315

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital $'000	Statutory Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total Shareholders' Equity $'000
Balance at October 1, 2012	643,557	666,132	1,172,283	3,267,083	5,749,055
Total comprehensive income	—	—	(14,690)	306,446	291,756
Balance at March 31, 2013	643,557	666,132	1,157,593	3,573,529	6,040,811
Balance at September 30, 2011	640,000	661,446	912,360	2,932,315	5,146,121
Total comprehensive income	—	—	112,782	342,807	455,589
Transfer to statutory reserve	—	678	—	(678)	—
Balance at March 31, 2012	640,000	662,124	1,025,142	3,274,444	5,601,710
Balance at September 30, 2011	640,000	661,446	912,360	2,932,315	5,146,121
Total comprehensive income	—	—	259,923	446,392	706,315
Dividends	—	—	—	(106,938)	(106,938)
Shares Issued	3,557	—	—	—	3,557
Transfer to statutory reserve	—	4,686	—	(4,686)	—
Balance at September 30, 2012	643,557	666,132	1,172,283	3,267,083	5,749,055

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Unaudited 6 Months Ended		Audited Year Ended
	Mar-13 $'000	**Mar-12 $'000**	**Sep-12 $'000**
Cash Flow From Operating Activities			
Profit before taxation	388,715	348,677	714,164
Adjustments to reconcile profit to net cash provided by operating activities:	63,167	38,443	127,857
Cash flows from operating activities before changes in operating assets and liabilities	451,882	387,120	842,021
Changes in operating assets and liabilities:			
Net change in loans to customers	(918,001)	171,544	(1,588,787)
Net change in customers' deposits and other funding	1,730,986	193,282	2,244,418
Net change in other assets	87,273	(264,729)	13,922
Net change in statutory deposits with Central Bank	(762,666)	(464,085)	(375,080)
Net change in creditors and accrued expenses	25,724	5,185	208,946
Taxes paid	(94,668)	(30,427)	(62,205)
Net cash flow from operating activities	520,530	(2,110)	1,283,235
Cash Flows From Investing Activities			
Net change in investments	(317,187)	398,423	275,131
Net change in loan notes	36,850	33,491	73,700
Repayment on derivative financial instrument	(163,619)	—	121,001
Net change in short-term investments	—	12,815	(83,780)
Proceeds from disposal of property, plant and equipment	110	—	5,673
Purchase of property, plant and equipment	(23,638)	(19,308)	(77,165)
	(467,484)	425,421	314,560
Cash Flows From Financing Activities			
Net change of debt securities	—	(490,859)	(488,565)
Issue of shares	—	—	3,557
Dividend paid	—	—	(106,938)
Net cash flow from financing activities	—	(490,859)	(591,946)
Effect of exchange rate changes	6,153	47,084	(19,259)
Net cash (decrease)/increase in cash and cash equivalents	46,893	(20,464)	986,590
Cash and cash equivalents at beginning of year	2,020,843	1,034,253	1,034,253
Cash and cash equivalents at end of period	2,067,736	1,013,789	2,020,843
REPRESENTED BY:			
Cash and due from banks and statutory deposits (as per consolidated statement of financial position)	7,887,310	6,126,275	6,896,292
Statutory deposits	(5,209,474)	(4,535,812)	(4,446,808)
Due to other banks	(81,091)	(103,098)	(63,251)
Short-term investments (maturity over 3 months)	(529,009)	(473,576)	(365,390)
	2,067,736	1,013,789	2,020,843

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

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 & Tobago and the Eastern Caribbean region.

The Bank is incorporated in Trinidad & Tobago and is a subsidiary of First Citizens Holdings Limited (Holdings), a company owned by the Government of the Republic of Trinidad and Tobago (GORTT).

On September 12, 1993, the Workers' Bank (1989) Limited, National Commercial Bank of Trinidad and Tobago Limited and Trinidad Co-operative Bank Limited 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 GORTT. 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%

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2. Basis Of Preparation

The condensed consolidated interim financial statement for the six month period ended March 31, 2013, have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended September 30, 2012.

The accounting policies adopted in the preparation these condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended September 30, 2012.

3. Commitments

	Unaudited		Audited
	Mar-13	Mar-12	Sep-12
	$'000	$'000	$'000
Capital Commitments			
Capital expenditure approved by the Directors but not provided for in these accounts amount to:	35,361	4,761	12,595
Credit Commitments			
Commitments for loans approved not yet disbursed amount to:	156,776	286,179	993,674

4. Related Party Transactions

	Unaudited		Audited
	Mar-13	Mar-12	Sep-12
	$'000	$'000	$'000
(a) Directors and key management personnel			
Salaries and other short-term employee benefits	19,473	15,486	30,626
Loans and receivables	13,029	5,117	5,457
Interest income	353	109	245
Customers' deposits	6,096	5,587	3,955
Interest expense	47	46	33
Other funding instruments	1,470	996	1,448
Interest expense	19	13	36
(b) Transactions with associate			
Loans and receivables	95,285	111,034	103,192
Interest income	3,556	4,026	8,376

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4. Related Party Transactions (continued)

	Unaudited		Audited
	Mar-13	**Mar-12**	**Sep-12**
	$'000	**$'000**	**$'000**
(c) Transactions with Parent			
Customers' deposit	1,535	1,189	1,745
Long-term notes	58,000	58,000	58,000
Loan note	49,534	54,748	52,141
Interest income on loan notes	**2,990**	**3,307**	**6,464**

(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:

	Unaudited		Audited
	Mar-13	**Mar-12**	**Sep-12**
	$'000	**$'000**	**$'000**
Assets			
Loan notes	650,613	719,098	684,856
Notes receivable from Central Bank	1,872,924	1,869,849	1,870,628
Interest Income			
Loan notes	42,261	43,436	84,897
Notes receivable from Central Bank	14,705	18,626	33,522

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4. Related Party Transactions (continued)

(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:

	Unaudited		Audited
	Mar-13 $'000	Mar-12 $'000	Sep-12 $'000
Loans to customers	2,890,156	2,031,785	2,314,500
Interest income	103,467	74,728	173,587
Customers' deposits	8,027,721	7,862,560	6,864,398
Interest expense	16,917	16,491	20,469
Investments	5,282,562	6,003,198	5,945,215
Investment income	132,525	174,670	321,763
Other funding instruments	2,783,569	2,416,433	2,591,160
Interest expense	35,746	32,005	73,420
Due to GORTT	126,170	—	—
Due from GORTT	153,413	274,970	272,363

5. Contingent Liabilities

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.

12. UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED MARCH 31, 2013 (continued)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

6. Segment Reporting

The segmental information provided to the Executive Management for the reportable segments are as follows:

Six months ended 31 March 2013	**Retail & Corporate Banking $'000**	**Treasury & Investment 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	24,715,875	381,691	1,070,898	(3,619,523)	36,062,640

Six months ended 31 March 2012	**Retail & Corporate Banking $'000**	**Treasury & Investment Banking $'000**	**Trustee & Asset Management $'000**	**Group Functions $'000**	**Eliminations $'000**	**Total $'000**
Total Net Income	422,616	389,142	84,403	3,736	(140,379)	759,518
Profit Before Taxation	247,163	255,755	65,420	(80,493)	(139,168)	348,677
Total Assets	10,137,532	25,399,440	314,701	317,187	(4,786,506)	31,382,354

Year ended 30 September 2012	**Retail & Corporate Banking $'000**	**Treasury & Investment Banking $'000**	**Trustee & Asset Management $'000**	**Group Functions $'000**	**Eliminations $'000**	**Total $'000**
Total Net Income	889,485	1,232,395	159,187	3,923	(765,649)	1,519,341
Profit Before Taxation	502,248	1,002,848	122,896	(159,449)	(754,379)	714,164
Total Assets	12,272,714	24,954,127	371,745	414,176	(3,979,524)	34,033,238

13. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS FOR THE SIX MONTHS TO MARCH 31, 2013

Overview

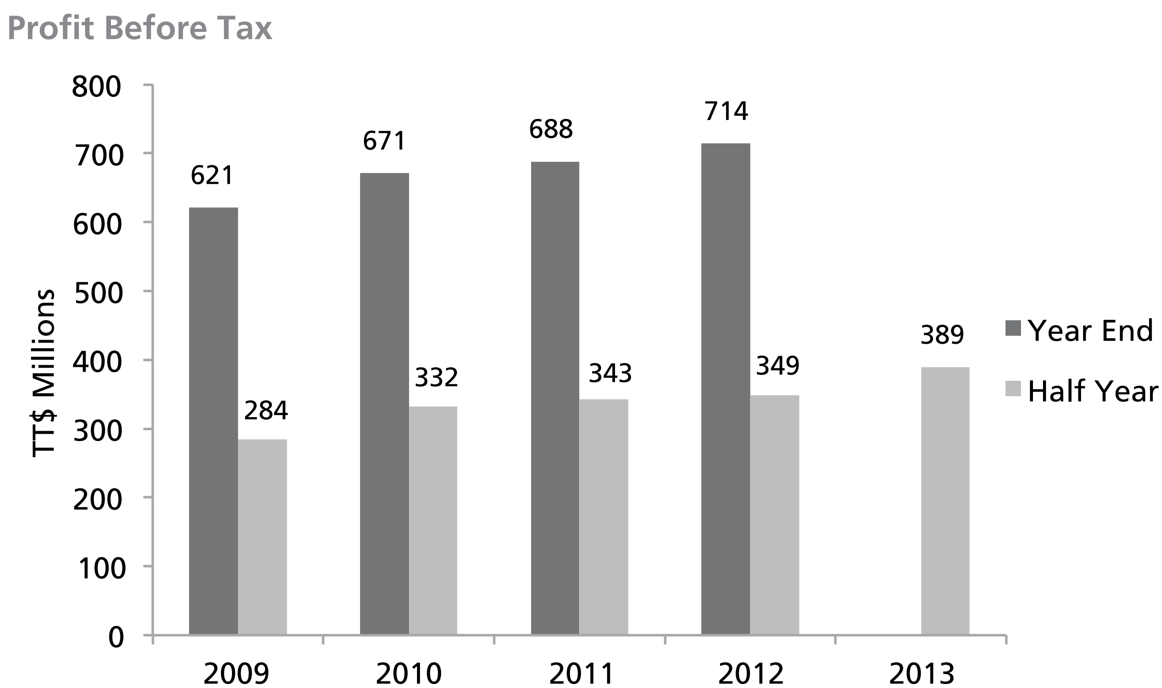
The following discussion aims to offer Management's perspective on the Group's financial statements for the six months ended March 31, 2013.

Critical Accounting Policies

The accounting and reporting policies of the Group conform to International Financial Reporting Standards (IFRS). Developments related to these standards are actively monitored and disclosure is provided in accordance with global industry best practice.

Results of Operations

At the end of the six months ended March 31, 2013, the Group reported a Profit before Tax of $388.7 million, despite challenging local and regional conditions. This profit represented $40 million or 11.5% over the $348.7 million earned for the corresponding period last year. Profit after tax amounted to $306.4 million. Over the last six months, total assets increased to just over $36 billion as compared to $34 billion as at September 2012. This represents an annualised return on average assets of 1.75% and a return on equity of 10.4%.



Net Interest Income

Over the last six months, in a direct response to global market conditions of low credit demand and declining interest rates, the greatest challenge for the Group was maintaining interest rate spreads. Based on these circumstances the repo rate was reduced to 2.75% at the beginning of the financial year by the Central Bank of Trinidad and Tobago. TT prime lending rate declined to 7.5% over in November 2012. Despite the above, the Group had relative success in maintaining its interest rate spreads.

Net interest income is the most significant contributor to the Group's net income. It accounts for just over 70% of the Group's total income. Net interest margin, that is net interest income as a percentage of total interest income, was maintained at 73.7% (2012: 73.4%).

13. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS FOR THE SIX MONTHS TO MARCH 31, 2013 (continued)

Net Interest Income (continued)

Loan interest income increased to $403.9 million or by 18.9% as compared to the corresponding six month period in 2012. This would have resulted from organic loan growth as well as six months interest now being included from the acquisition of First Citizens Bank (Barbados) Limited last August. As compared to September 2012, loans to customers also increased to $11.2 billion as at March 2013 or by approximately $0.9 billion or 8.7%. Additionally, investment income declined 5.2% to $323.2 million for the period mainly as a result of lower yields on the investment portfolio.

For the period, interest expense increased slightly to $206 million as compared to $203 million in 2012. This was caused by the inclusion of the interest expense for the First Citizens Bank (Barbados) Limited partially off-set by reductions in the Issuer's TT and US cost of funds for deposits and other funding instruments.

Non-Interest Income

This consists mainly of fee and commission income and foreign exchange trading income. The Group, in an attempt to mitigate its risks against any negative effects of interest rate spikes and possible tightening of interest spreads, sought to improve non-interest income.

For the six months period, non-interest income amounted to $246.6 million (2012: $216 million), accounting for approximately 30% of total net income. The major contributor to this category of earnings was fees and commissions of $214 million.

Non-Interest Expense

Total non-interest expense amounted to $422 million. The Group's efficiency ratio, the ratio of non-interest expenses (excluding impairment provision) to total income is approximately 51% as compared to 50% for the year ended September 30, 2012. This would have been partly impacted by our acquisition in Barbados; as we realise our synergies to be derived from economies of scale. We expect the ratio to improve over the medium-term. Additionally, staff and salaries expenses increased mainly as a result of the IAS 19 "Employee Benefit" adjustment or net pension cost of approximately $12.0 million. The Group continues to renew its commitment to strive towards increasing efficiency of utilisation of resources and controlling its expense levels, while delivering superior customer service.

Provision for Taxation

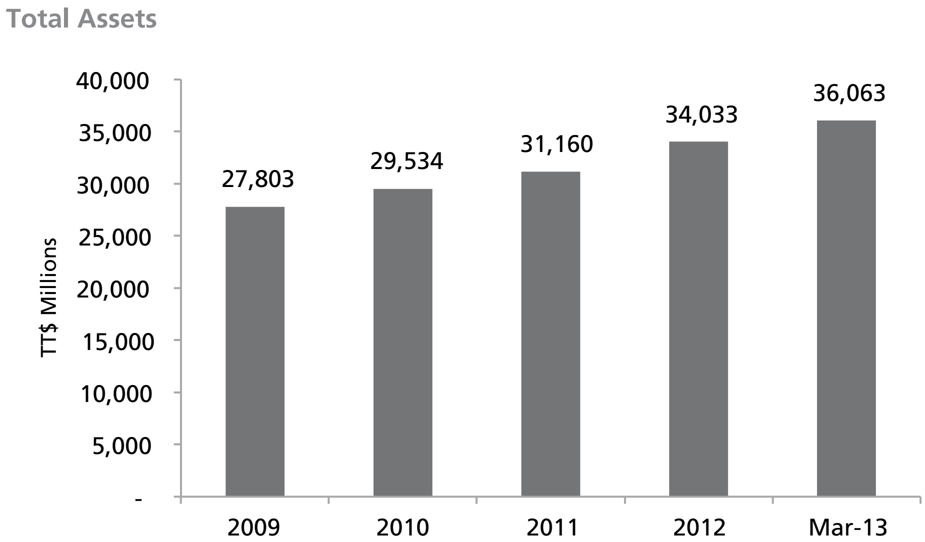
The Group recorded a taxation charge for the period of $82.3 million which represents an effective tax rate of 21.2% to March 2013. In 2012, the effective tax rate was 37.0%, however, this included a prior year under provision of $128.3 million. Had the impact of this change been recorded in the respective year of income, the effective rate of taxation would have been 19.5 % for 2012.

The prior year under provision in 2012 was due to management re-assessing its tax strategy in relation to the pursuit of tax benefits to be derived from derivative instruments. This change in strategy, which was done after careful evaluation of all relevant factors and in consultation with our tax advisors, but prior to the filing of its 2011 corporation tax return, resulted in a difference between the tax liability as per the tax return for 2011, and the estimate of the tax provision recognised in the financial statements for the year ended 30 September 2011, as well as changes to the deferred income tax estimates.

13. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS FOR THE SIX MONTHS TO MARCH 31, 2013 (continued)

Assets and Liabilities

Total Assets amounted to just over $36.0 billion as at the end of March 2013, an increase of $2.0 billion or 5.9% as compared to September 2012. This increase is mainly as a result of an increase in Cash and Statutory Deposits of close to $1 billion, loan growth of $0.9 billion (8.7%) and investment growth of $0.3 billion (2.4%).



The Loan Portfolio

The increase in loans to customers of approximately $0.9 billion or 8.7% was mainly in the real estate mortgages and consumer sectors. The average loan yield is approximately 7.5% as compared to 7.6% for 2012.

The Group accounts for the credit risk associated with lending activities through its allowance for bad and doubtful debts. This allowance, as determined through the application of the Group's loan loss provision model, is an expense recognised in the income statement. Total provision for the Group at the end of March 2013 amounted to $308 million, which represents 2.7% of total loans and 60% coverage on the value of total non-performing loans.

The credit risk function continues to execute the Group's policies in an attempt to reduce our non-performing loans.

Investment Portfolio

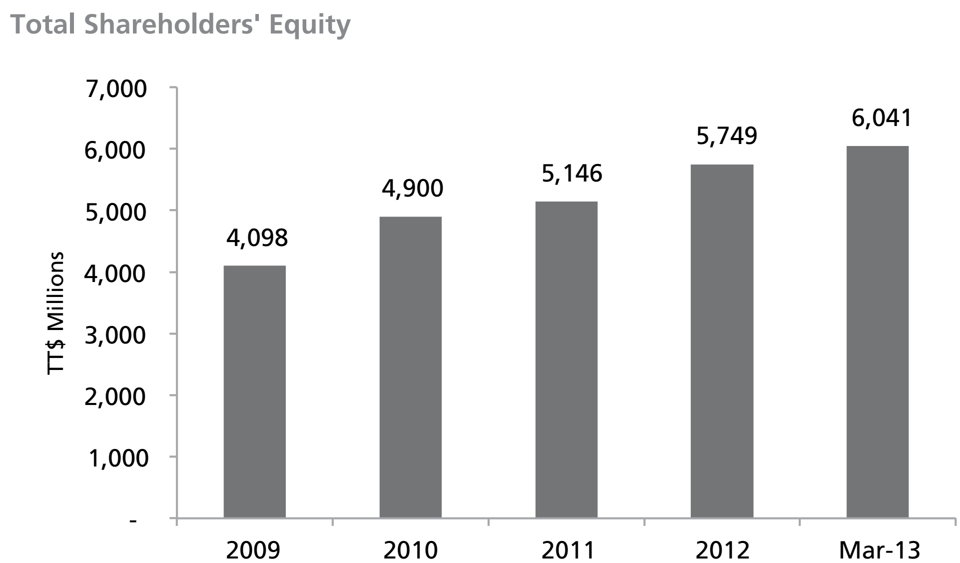
This portfolio includes mainly Available-for-Sale (AFS) Investments of $9.7 billion (2012: $9.2 billion) and Held to Maturity Investments $1.6 billion (2012: $1.6 billion). This moderate increase in the AFS portfolio was caused by the limited investment opportunities available. Fair value changes in the AFS investments were insignificant as rates have remained fairly constant over the six month period.

13. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS FOR THE SIX MONTHS TO MARCH 31, 2013 (continued)

Shareholders' Equity

Total shareholders' equity increased by $291.8 million over the six months to just over $6.0 billion. The increase in the Group's capital base was as a result of the increase in net profit for the period of $306.4 million off-set by a fair value loss reserve movement of $14.7 million. For the year ended 2012, the Group paid total dividends of $193.5 million or 43.4% of profit after tax.

The Group is subject to various capital requirements administered by banking regulators. Such regulators require that the bank maintain minimum amounts and ratios of total and Tier 1 capital (as defined in the regulation) to risk weighted assets (as defined). This standard corresponds with International Basel standards wherein there is a minimum capital adequacy ratio of 8%. This is a risk-based capital measure which recognises the inherent credit risk in off-balance transactions. As at March 31, 2013, the Group was well capitalised with a Tier 1 capital adequacy ratio of 61%.



14. OUTLOOK AND BUSINESS PROSPECTS

Developed world economies continue to be challenged by slowing growth while the European economic crisis persists. This fosters uncertainty in the global outlook which affects Caricom, as sustained growth in this region is highly dependent on the global economy (the UK and US in particular).

Local monetary and fiscal policies remain geared towards stimulating private sector credit and combating food inflation. GDP growth of 1.5% to 2% has been forecasted for 2013, added to which the country is expected to reap the rewards of recent finds in natural gas and oil within the medium-term.

Given the condition of the local and regional economies, the Group will continue to focus on robust risk management to ensure that the growth and stability of the Group will continue. The Group will continue to focus on its core range of services during 2013, and further intends to strengthen the Issuers' brand by enhancing the customer experience. Furthermore, the acquisition in 2012 of First Citizens Bank (Barbados) Limited, and the establishment of a representative office in Costa Rica is expected to support the growth of the business regionally and in Latin America and position the Group for future expansion.

In order to achieve the Issuer's goals, the following will continue to be implemented:

- ***Increase market penetration*** – by achieving a larger market share in stronger segments of the Trinidad & Tobago economy, in particular, the construction and distribution sectors. Management will continue to meet with key corporate clients and the governments within the region to seek new investment opportunities or products. The Group proposes to provide advisory, investment management and capital market options to government, state and small/medium enterprises across the region. A number of viable projects have been identified where the Group could potentially play a role in structuring and further originating and distributing. The Group has established a strong pipeline of transactions and relationships in the Central American region.
- ***Expand geographic focus*** – by pursuing increased business with major corporations in the territories in which the Group currently operates and by establishing a presence in additional countries in the Caribbean and Latin America. Locally the Group continues to explore the opening of new branches in high traffic areas; specific feasibility studies for branches in select locations have been completed. Continue expansion of the merchant banking business in the niche markets. Furthermore, the Group plans to explore the opening of additional FCIS offices in Trinidad and in the region.
- ***Enhance risk management systems*** – by continuing to develop advanced systems in order to manage the risks inherent in and across the financial sector. The Group expects excess system liquidity to continue into the foreseeable future. If required, the Group will raise new funding via retail deposits, local and international bond issues, however, no liquidity shortages are anticipated at this time.
- ***Pursue selective alliances and acquisitions*** – by considering, over the long-term, strategic alliances with, or acquisitions of, or investments in banks and other businesses in the Caribbean and Latin American regions. One of the Group's subsidiaries has also commenced discussions with select financial institutions in the region to explore possibilities for the development of other lines of business.
- ***Diversify financial services*** – by providing capital markets services, asset management services, private client and wealth management services and brokerage services. We plan to enhance our product development unit and product profitability model/system. The Group's intention is to complete the creation of the customer experience unit where a Customer Relationship Management (CRM) model for managing interactions with customers and sales prospects will be acquired and developed, as this is expected to develop customer profiling and therefore provide an appropriate cross-selling marketing programme. The Group will also expand the traditional suite of products. Lastly, the Group will provide a more efficient and seamless credit delivery system using credit scoring, origination and fulfillment process.

15. ACCOUNTANT'S REPORT ON THE FINANCIAL PROJECTION TO SEPTEMBER 30, 2013

The Directors
First Citizens Bank Limited

Dear Sirs,

We have examined the accompanying projected consolidated statement of financial position of First Citizens Bank Limited and its Subsidiaries (the Group) as at 30 September 2013 and projected consolidated statement of income for the year then ending in accordance with International Standard on Assurance Engagements. Management is responsible for the preparation and presentation of the projected financial statements including the assumptions set out in Note 1 on which they are based. It is our responsibility to provide an opinion based on our procedures carried out in accordance with International Standard on Assurance Engagements.

This projection has been prepared by Management for the purpose of providing potential investors with a forecast of the possible future financial position and performance of the Group for the next six months based on a number of assumptions. The projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Consequently, we express no opinion on the validity of the assumptions on which the projection is based or on how closely the results actually achieved will compare with the projection. This projection may not be appropriate and should not be used for purposes other than that described above.

In our opinion the projection has been properly compiled on the basis of the assumptions set out in Note 1 and the basis of accounting used is consistent with the accounting policies of the Group.

Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material. Further, we emphasise that the projected information is not intended to, and does not, provide all the information and disclosures necessary to give a fair presentation in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
20 May 2013
Port of Spain
Trinidad, West Indies

16. FINANCIAL PROJECTIONS TO SEPTEMBER 30, 2013

The information in this section should be read in conjunction with the Forward-Looking Statement on page 4.

NOTE 1. ASSUMPTIONS TO THE PROJECTIONS

Basis of Compilation

The accompanying projected consolidated statement of financial position as at September 30, 2013 and projected consolidated statement of income for the six months then ending are prepared on a basis consistent with International Financial Reporting Standards (IFRS), except for the required footnote disclosures.

The projected financial statements have been compiled using certain assumptions about future events, economic circumstances regionally and locally, and the planned strategic directions and initiatives contemplated by management.

Economic Climate

The economic activity is expected to pick up gradually over the course of this year, with an expected growth projection of 2.0% from the IMF for Trinidad & Tobago and 1.0% for the Caribbean region. The Issuer expects the TTD prime lending rate to hold at 7.50% with the Central Bank Repo rate at 2.75%. The Issuer also anticipates that the Reserve requirements for commercial banks in Trinidad & Tobago to remain as 17.0% and 12.0% for the primary and secondary reserves respectively.

Investments

Investment opportunities in the market remain low, thus resulting in excess liquidity in the financial sector and a low interest rate environment. The Issuer anticipates investment portfolio growth of 4.1% for the year; as at March 2013, actual growth was 2.4%. On average, the portfolio is expected to generate an average annual yield of 5.1% (2012: 5.6%). The Issuer does not anticipate any significant fair value movement in the next six months, as market interest rates are expected to remain relatively constant.

Loans to Customers

Overall, credit growth remains relatively constrained. Business lending continues to decline, while consumer lending has been expanding at a slow speed. Real estate mortgage lending is reflecting sustained growth. As at March 2013, the Group experienced growth of 8.6% when compared to September 2012. Based on this, total loans and advances are expected to grow a further 3.2% to 11.8%. The loans are expected to yield an average return of 7.3% (2012: 7.6%).

Customers' Deposits and Other Funding Instruments

The Issuer plans to maintain its basic deposit products and other funding instruments. The liquidity level is relatively high; therefore the Issuer will remain very liquid. As at March 2013, the Group experienced growth of 6.9% when compared to September 2012. The Issuer expects further growth of 1.5% to 8.45%, with the projected average cost of funding to be 0.96% (2012: 1.10%).

Debt Securities In Issue

The Issuer projects that the presence of the high excess liquidity in the financial system will be maintained, and there are no plans to issue any new bonds within the next six months.

Net Interest Income

We expect the net interest income to increase by 6.4% to $1.17 billion. This is mainly due to a full year of net interest income being recorded for First Citizens Bank (Barbados) Limited. This equates to a net interest margin of 73.7 % (2012: 73.4%), as the Issuer expects interest rate spreads to remain relatively constant for the next six months.

Other Income

This area comprises mainly of fee income, commission income and foreign exchange trading income.

16. FINANCIAL PROJECTION TO SEPTEMBER 30, 2013 (continued)

Note 1. ASSUMPTIONS TO THE PROJECTIONS (continued)

Fees and Commission Income

The Issuer contemplates the expansion of services offered to customers in capital markets and electronic banking. For the first 6 months, fees and commissions recorded totaled $213.6 million, with a projection for September 2013 of $410 million. In this regard, the Issuer projects an annual growth of 12.1% to September 2013.

Foreign Exchange Trading Income

Notwithstanding the subdued economic climate, demand for foreign exchange remained high. As at March 2013, the Issuer recorded income of $33 million, with a projection of $69.5 million or 8.4% to September 2013.

Impairment Losses

The Non-performing Loan ratio as at March 2013 was 4.5%, with a coverage ratio of 60%. The Issuer does not anticipate any adverse movement in these ratios for the upcoming six (6) months.

Expenses

The Group projected a $120 million or 15.9% increase year-on-year. This was mainly due to the acquisition of First Citizens (Barbados) Limited in August 2012, resulting in only one month expenses being recorded in 2012, as compared to a full twelve months in 2013.

Additionally, staff and salaries expenses are projected to increase mainly as a result of a change in the assumption by the actuary for the future expected rate of return on plan assets resulting in a net pension cost of $50 million (2012: $25 million).

Taxation

The Issuer anticipates an effective tax rate of 20% for 2013. In 2012, the effective tax rate was 37%, however, this included a prior year under provision of $128 million. Had the impact of this change been recorded in the respective year of income, the effective rate of taxation would have been 19.53% for 2012.

Dividend Payout

The Group projects an ordinary dividend payout of approximately 43% for 2012. The approved policy going forward from 2013 is an annual target range of 45% to 55% of net profit after tax (Refer to Dividend Policy on page 19).

16. FINANCIAL PROJECTION TO SEPTEMBER 30, 2013 (continued)

PROJECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Sep-12 $'000	Unaudited Mar-13 $'000	Projected Sep-13 $'000
ASSETS			
Cash and statutory deposit	6,896,292	7,887,310	7,897,687
Financial assets:			
Investments	12,567,767	12,866,232	13,081,143
Loans and receivables less allowances for loan losses:			
Loans to customers	10,325,556	11,223,898	11,543,637
Loans notes	2,607,625	2,573,071	2,577,816
Other assets	614,705	521,690	527,381
Investment in joint venture and associates	135,408	136,826	139,326
Property, plant and equipment	446,106	438,219	488,588
Intangible assets	211,120	211,120	211,120
Retirement benefit asset	228,659	204,274	179,507
TOTAL ASSETS	34,033,238	36,062,640	36,646,205
LIABILITIES			
Customers' deposits and other funding instruments	24,933,432	26,664,418	27,064,261
Due to other banks	63,251	81,091	85,000
Creditors and accrued expenses	781,142	768,258	870,877
Debt securities in issue	2,448,358	2,450,062	2,461,310
Notes due to parent company	58,000	58,000	58,000
TOTAL LIABILITIES	28,284,183	30,021,829	30,539,448
CAPITAL AND RESERVES ATTRIBUTABLE TO THE PARENT COMPANY'S EQUITY HOLDERS			
Share capital	643,557	643,557	643,557
Statutory reserves	666,132	666,132	667,854
Other reserves	1,172,283	1,157,593	1,136,238
Retained earnings	3,267,083	3,573,529	3,659,108
TOTAL SHAREHOLDERS' EQUITY	5,749,055	6,040,811	6,106,757
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	34,033,238	36,062,640	36,646,205

16. FINANCIAL PROJECTION TO SEPTEMBER 30, 2013 (continued)

PROJECTED CONSOLIDATED STATEMENT OF INCOME

	Audited Year to September 2012 $'000	Unaudited Six months to March 2013 $'000	Projected Year to September 2013 $'000
Net interest income	1,096,303	579,235	1,166,575
Other income	423,038	246,616	472,020
Total Net Income	1,519,341	825,851	1,638,595
Impairment loss on loans and investments net of recoveries	(66,785)	(19,976)	(38,009)
Operating expenses	(752,548)	(422,045)	(872,328)
Operating Profit	700,008	383,830	728,258
Share of profit in associate and joint venture	14,156	4,885	7,355
Profit Before Taxation	714,164	388,715	735,613
Taxation	(267,772)	(82,269)	(147,123)
Profit For The Period	446,392	306,446	588,490

17. RISK FACTORS

The Issuer's business, financial condition, operating results and prospects could be materially and adversely affected if any of the risks described below occurs. Potential investors in the shares of the Issuer should carefully consider all the information in this Prospectus including the risk factors set forth below, which should be considered in conjunction with the "Outlook and Business Prospects" section of the Prospectus (Section 14) and should take advice from a stockbroker or other appropriate professional.

FACTORS RELATING TO TRINIDAD & TOBAGO AND THE REGULATORY ENVIRONMENT

Economic, social and political conditions in Trinidad & Tobago may have an adverse effect on the Issuer's business, results of operations and financial condition

The Issuer and most of its subsidiaries are located in Trinidad & Tobago, and a substantial part of its operations, properties and most of its customers are in Trinidad & Tobago. As a result, its business, results of operations, financial condition and prospects are currently materially dependent upon economic, political and other conditions and developments in the country.

The Trinidad & Tobago economy has historically, and in recent years, been affected by the global economic and financial conditions, most notably the crisis in 2008 and 2009. In 2008 and through early 2009, the global financial services industry was materially and adversely affected by significant declines in the values of nearly all asset classes and by a significant lack of liquidity. This was initially triggered by declines in the values of subprime mortgages, but spread to all mortgage and real estate asset classes, to leveraged bank loans and to nearly all other financial asset classes. The global markets during this period were characterised by substantially increased volatility and an overall loss of investor and public confidence. While the markets have generally stabilised and improved from 2010, values for many asset classes have not returned to pre-crisis levels. Business, financial and economic conditions, particularly unemployment levels, lending activities and the housing markets, continue to be negatively impacted by the events of recent years.

Although the Trinidad & Tobago economy has stabilised from the severe contraction experienced during 2009, growth rates remain low, particularly outside the energy sector. The macroeconomic environment has remained broadly flat during 2012, as reflected in the GDP performance in the first three quarters of the 2012 calendar year at 4%, (3.3%) and 1.5% year-on-year growth respectively. The macroeconomic environment is expected to return marginal growth of 1.2% in 2012. For 2013, the outlook for GDP growth is projected to be approximately 1.5%, which represents a marginal improvement on 2012 figures. The unemployment rate was estimated to be 5.4% in 2012, marginally below the five year high of 5.9% recorded in 2010.

The quality of the Group's loans to customers and other assets and its overall financial performance are consequently closely linked to the economic conditions in Trinidad & Tobago. Any slowdown or contraction affecting the local economy, whether or not part of more global economic trends or dislocations, could negatively affect the ability of its customers to service their loans in accordance with their terms or its ability to retain a stable deposit base to support its operations. If the economy of Trinidad & Tobago worsens because of, for example, any or all of the following occurring:

- lower economic activity,
- higher unemployment,
- a decline in oil, natural gas or petrochemical prices,
- depreciation of the TT dollar,
- increased inflation, or
- an increase in domestic and international interest rates,

This could lead to an increase in the Group's delinquency and/or non-performing facilities which could materially reduce earnings.

17. RISK FACTORS (continued)

Trinidad & Tobago Government policies, actions and judicial decisions could negatively affect the local economy, and as a result, the Issuer's business results of operations and financial condition

The Issuer's business, results of operations, financial condition and prospects, as well as the market price of the ordinary shares, may also be significantly affected by changes in GORTT policies and actions and judicial decisions involving a broad range of matters, including interest rates, exchange rates, inflation rates, taxation, banking, pension fund regulations and other political or economic developments affecting Trinidad & Tobago. GORTT traditionally has played a central role in the development of Trinidad and Tobago's petroleum and energy sector, the country's most important economic sector, and continues to exercise significant influence over many other aspects of the economy. In addition, there may be changes in Government leadership and/or in the composition of Parliament which may further impact any of the above scenarios.

The Issuer's business and results of operations may also be affected by social conditions in Trinidad & Tobago. For example, Trinidad and Tobago continues to experience a high crime rate. Increased crime has contributed to some uncertainty in the business community which has negatively affected private sector investments and, consequently, the demand for loans.

These and other future developments in the economy of Trinidad & Tobago, and Government policies, may reduce local demand for its banking and other financial services or products, and adversely affect the Issuer's business, financial condition, results of operations or prospects.

The Issuer is subject to extensive regulation by Government regulatory authorities

The Issuer and its subsidiaries are subject to extensive regulation in the countries in which they operate. The Issuer is regulated under the FIA, Financial Institutions [Prudential Criteria] Regulations [1994], together with the Central Bank Act [Chap. 79:02] and supervised primarily by the Central Bank of Trinidad and Tobago. The Issuer has little control over the regulatory structure, which governs, among others, the following aspects of its operations:

- minimum capital requirements;
- compulsory reserve requirements;
- lending limits and other credit restrictions;
- periodic reports; and
- securities registration requirements.

The Issuer is also registered with the SEC as a reporting issuer and as a broker-dealer and, therefore, is also regulated under the Securities Act 2012 and its by-laws as amended. As a Broker-dealer, the Issuer is authorised to conduct business as a broker in Government of Trinidad & Tobago bonds, an investment adviser and an underwriter.

The regulatory structure governing banks and financial services companies in Trinidad and Tobago and the other jurisdictions where the Issuer's subsidiaries are located are continuously evolving. Existing laws and regulations could be amended, the manner in which laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Changes in regulation could materially and adversely affect its business, results of operations, financial condition or prospects.

17. RISK FACTORS (continued)

The Issuer is subject to control by GORTT, which appoints its Board of Directors and has the ability to determine the outcome of corporate actions or decisions, including actions or decisions which could be adverse to the interests of other shareholders

All of the Issuer's share capital is indirectly owned by GORTT, and after the issue GORTT will retain, via its interest in FCHL, an approximate 77.2% holding in the Issuer (excluding the interests that are held by NIB and CBTT). GORTT currently appoints the Issuer's Board of Directors. Although GORTT has not been actively involved in the day-to-day operations and has permitted its Board of Directors and management to exercise responsibility for the business, the Issuer cannot assure prospective investors that GORTT will not exercise more control over its day-to-day operations or with respect to any particular transaction in which the Issuer may be involved. In addition, changes in the composition of GORTT may directly impact the Issuer. GORTT has the power to determine, directly or indirectly, the outcome of essentially all corporate actions or decisions to be taken by the Issuer or its subsidiaries and has the ability to appoint all of the members of the Issuer's Board of Directors, the composition of which typically changes entirely or substantially following a change of government. On January 3, 2011, following the results of the May 2010 Parliamentary elections, GORTT appointed new Boards of Directors for the Issuer, First Citizens Holdings Limited and First Citizens Asset Management Limited. The Issuer's Board of Directors appoints the Board of Directors for the Issuer's other subsidiaries. The Issuer cannot assure prospective investors that the interests of, or actions taken by GORTT, will be consistent with the interests of holders of the ordinary shares.

FACTORS RELATING TO BANKING OPERATIONS

The Issuer continues to engage in significant "related party" transactions with GORTT and Government-related entities, so that financial and other developments concerning GORTT are likely to impact financial condition and results of operations

The Issuer has engaged, and will continue to engage, in extensive related party transactions with GORTT related entities. As at March 31, 2013, it held loan notes (which are not tradable) issued or guaranteed by GORTT and Government-related entities totaling approximately $2.6 billion, including, among others, loan notes in an aggregate principal amount of approximately $650.6 million that were issued to the Issuer by Taurus Services Limited, a separate and distinct Government-owned entity, in exchange for its transfer to it of non-performing loans and notes in September 1994 and October 2000. The loan notes with Taurus Services Limited and FCHL accrue interest at a rate of 4.5% below prime with a floor rate of 11.5% per annum.

As a result of these transactions, as of March 31, 2013, approximately 46.2% of its interest-bearing assets, and 44.2% of its consolidated assets, represented direct obligations of GORTT or are GORTT or Government-related entities. The obligations of, or guarantees issued by, GORTT or Government-related entities represents approximately 25.8% of its total loan portfolio, and approximately 41.1% of its total investment securities (including Government loan notes which are not tradable). For example, the Issuer holds as investment securities various instruments of, or guaranteed by, GORTT, which totaled approximately $5.2 billion as of March 31, 2013. The Issuer has also made loans of approximately $2.89 billion as of March 31, 2013 to Government-related entities and other borrowers whose loans are guaranteed by GORTT.

Approximately 36.4% of its consolidated liabilities represented obligations owed to Government-related entities. GORTT and Government-related entities have, among other things, made substantial deposits with the Issuer ($8.03 million as of March 31, 2013), and Government-related entities hold significant amounts of its other funding instruments ($2.78 million in the aggregate as of the same date).

17. RISK FACTORS (continued)

Government-related entities also own all of the Issuer's preference shares in addition to the ordinary shares.

Effective January 31, 2009, the Issuer, at GORTT's request, assumed $1.77 billion (and an additional $99.5 million over the following years) in corporate and retail deposit liabilities, consisting of time deposits in both local and foreign currency maturing from February 2009 to December 2013, which were transferred to the Issuer from CLICO Investment Bank in connection with the liquidation of that financial institution. To cover these deposit liabilities, the Central Bank issued promissory notes to the Issuer having a current aggregate principal balance of $1.86 billion and currently bearing interest at 2.0% per annum with respect to TTD-denominated time deposits and 1.1% per annum with respect to USD denominated time deposits.

In February 2009, as a consequence of financial difficulties being experienced by CL Financial Limited and its subsidiaries, the Issuer, at GORTT's request, assumed control of CMMB (now called First Citizens Investment Services Limited) and certain of its subsidiaries including CMMB Securities and Asset Management Limited (now called First Citizens Brokerage and Advisory Services Limited). In connection with its acquisition of CMMB, the Issuer received a $300 million capital investment from GORTT, and the Issuer invested $500 million into CMMB. In addition, GORTT entered into a broad indemnification agreement (the "Liquidity Support Agreement") with the Issuer, protecting the Issuer from losses arising from the acquisition. At the time of its acquisition, the portfolio assets of CMMB included approximately $1.8 billion in debt instruments issued by CL Financial Limited which held the controlling interest in CLICO Investment Bank at the time of the its acquisition. As at March 31, 2013, the fixed income portfolio contains approximately $685 million of CL Financial Limited debt instruments, and the Issuer has until May 2015 to claim for reimbursement from GORTT under the Liquidity Support Agreement.

GORTT guarantees, in respect of loans made by the Issuer, are non-binding on GORTT and generally provide in the case of each loan: (1) an acknowledgment by GORTT of the obligations of the borrower under the loan; and (2) that GORTT intends to ensure that the borrower will meet its obligations under the loan. However, a guarantee does not provide that GORTT assumes responsibility as an obligor in respect of the relevant loan. The Issuer cannot assure that GORTT will honor its intention to ensure that a particular borrower meets its obligations under the relevant loan.

In the event of a significant negative change in the financial condition of GORTT, or if GORTT fails for any reason to honour its obligations, including, in particular, its obligations discussed above, the Issuer may sustain a material and adverse effect on its business, results of operations, financial condition and prospects, which would likely impair its ability to meet its obligations.

Adverse changes in the value of certain of its assets and liabilities could adversely impact the Issuer's business, results of operations and earnings

The Issuer has a large portfolio of financial instruments that it measures at fair value in keeping with applicable International Financial Reporting Standards ("IFRS") guidelines. The fair values of these financial instruments include adjustments for market liquidity, credit quality and other transaction-specific factors, where appropriate. Sustained or material declines in the market price of the assets and liabilities held could similarly result in impairment or realised or unrealised losses. Any significant decline in the market prices or values of the instruments held could materially adversely affect the Issuer's business, results of operations and financial condition.

Asset values also directly impact revenues in its asset management business. The Issuer receives asset-based management fees based on the value of its clients' portfolios or investments in funds managed by the Issuer and, in some cases, the Issuer also receives incentive fees based on increases in the value of such investments. Declines in asset values can reduce the value of its clients' portfolios or fund assets, which, in turn, can result in lower fees earned by the Issuer for managing such assets.

17. RISK FACTORS (continued)

The Issuer faces intense competition from domestic banks and local subsidiaries of foreign banks

The banking and financial services industry in Trinidad & Tobago is highly competitive. The Issuer faces significant competition in substantially all areas of its operations from domestic competitors and local subsidiaries of leading international banks. The Issuer's principal competitors are Republic Bank Limited, RBC Royal Bank (Trinidad and Tobago) Limited (a subsidiary of Royal Bank of Canada), Scotiabank Trinidad and Tobago Limited (a subsidiary of Scotiabank), and Citibank (Trinidad and Tobago) Limited (a subsidiary of Citigroup). Most of its competitors have been in existence much longer than the Issuer. Financial Institutions are increasingly facing competition from other local non-bank institutions, such as credit unions, insurance companies, unit investment trusts, merchant and investment banks and finance companies, which are providing financial services previously provided only by banks. These institutions are generally not subject to the same degree of regulation and supervision in Trinidad & Tobago as banks, although insurance companies are also subject to supervision by the Inspector of Financial Institutions.

Any failure by the Issuer to compete effectively with existing and future market participants in Trinidad & Tobago and, to a lesser degree, elsewhere in the Caribbean and Central America, may have a material, and adverse effect on its business, results of operations, financial condition or prospects.

In addition, the Issuer is facing increased competition from leading international commercial banking and financial services institutions which offer products and services to multinational and major local corporations that conduct business in Trinidad & Tobago. Competition may negatively affect the Issuer by, among other things:

- limiting its ability to develop its client base (particularly relationships with top-tier corporate banking customers), to broaden its range of banking and financial services and products, and to expand its operations;
- reducing profit margins on the banking and other financial services and products the Issuer offers; and
- making it difficult to attract and retain experienced managers and other personnel needed to develop business.

The Issuer is subject to fluctuations in interest rates and foreign exchange rates, which could negatively affect its financial performance in future fiscal years or periods

The Issuer's profitability is dependent, to a large extent, on its net interest income, which is the difference between interest income paid on loans and investments and interest expense paid to depositors and other parties from whom the Issuer borrows funds. Like most financial institutions, the Bank is affected by changes in general interest rate levels, which are currently at low levels in Trinidad & Tobago and globally, and by other economic factors beyond its control. Interest rate risk arises primarily from timing differences in the duration or re-pricing of the Issuer's assets and liabilities. The Issuer is most affected by changes in TT dollar Repo rate, Mortgage Market Reference rate, and US dollar LIBOR, because many of its loans and deposits re-price based on these interest rate indices. Significant changes in these indices may affect the Issuer's financial performance. Any substantial and prolonged increase in market interest rates could reduce its customers' ability to borrow money or adversely affect their ability to repay their outstanding loans by increasing their credit costs. The Issuer's investment portfolio can also suffer losses as a result of increases in domestic and US dollar interest rates, as increases in interest rates result in lower market valuation of fixed income securities in its investment portfolio. Any of these events could adversely affect the Issuer's results of operations or financial condition.

The Issuer faces exposure to fluctuations in foreign exchange rates arising from holding financial assets in currencies other than those in which financial liabilities are expected to settle. The Issuer actively seeks to manage its balance sheet positions to minimise exposure to a mismatch between foreign currency denominated assets and liabilities. The types of instruments exposed to foreign exchange rate risk include, for example, foreign currency denominated loans and investment securities and foreign currency denominated debt. At March 31, 2013, the Issuer had a negative net US dollar exposure of approximately USD5.59 million, a positive net Canadian dollar exposure of approximately CAD$0.22 million, a positive net Sterling exposure of approximately GBP$0.028 million and a positive net Euro exposure of approximately EUR$0.11 million.

17. RISK FACTORS (continued)

The Issuer's businesses have been and may continue to be adversely affected by changes in the levels of market volatility

The Issuer engages in limited trading operations for its own account and for the accounts of its customers. However, in order to increase its non-interest income and to respond to the needs of some customers, it intends to further develop its trading operations in the areas of debt securities, money market securities, foreign exchange transactions and, to a lesser extent, equity securities. The future success of the Issuer's existing and planned trading businesses will depend on market volatility to provide trading opportunities. Decreases in volatility may reduce these opportunities and adversely affect the results of these business lines. On the other hand, increased volatility, while it can increase trading opportunities, also increases risk, and may expose the Issuer to increased risks in connection with its trading operations or cause the Issuer to reduce the size of these operations in order to avoid increasing its risk. In periods when volatility is increasing, but asset values are declining significantly, it may not be able to sell assets at all or it may only be able to do so at steep discounts to the prices it was paid for, and at which it values, those assets. In such circumstances the Issuer may be forced to either take on additional risk or to incur losses in order to decrease its risk.

The recently completed expansion into Barbados and Costa Rica may not perform in accordance with expectations. Furthermore the Issuer plans to continue expanding its banking and financial services operations in the Caribbean region and Latin America. There is therefore the risk that future acquisitions and/or the integration of acquired operations could impact financial performance

As part of its strategy, the Issuer plans to seek increased business with major companies in the Caribbean region and Latin America and, over the long term, pursue selective alliances and acquisitions in the region. The Group has had limited experience in managing geographically diverse retail operations in countries outside of Trinidad & Tobago. Upon the acquisition of Caribbean Money Market Brokers Limited (now called First Citizens Investment Services Limited) in February 2009, the Group commenced operations for the first time in Barbados, St. Lucia and St. Vincent and the Grenadines. The Group also established a representative office in Costa Rica in January 2012, and completed the acquisition of the Butterfield Bank (Barbados) Limited in August 2012. The Group may also enter into customer or other relationships in these and other countries outside of Trinidad & Tobago which could expose it to risks with which the Group has limited or no experience. In entering these markets, the Group may become subject to the effects of economic, political and other conditions and developments in these countries which could affect its financial performance.

Moreover, the Group will be regulated by local and regional regulatory authorities in these countries and become subject to laws and regulations with which it has historically had little experience. The Group must necessarily base any assessment of potential acquisition on assumptions with respect to operations and other matters that subsequently may prove to be incorrect. Accordingly, the Group's recently completed acquisitions and future initiatives to expand outside of Trinidad & Tobago may not produce the anticipated synergies or perform in accordance with expectations and/or could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Issuer may incur losses as a result of ineffective risk management processes and strategies

The Issuer seeks to monitor and control its risk exposure through a risk and control framework encompassing a variety of separate but complementary financial, credit, market, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. While the Issuer employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques, and the judgments that accompany their application, cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. The Issuer faces numerous risks in making any loans, including risks with respect to the period of time over which the loans may be repaid, risks resulting from changes in economic and industry conditions, risks inherent in dealing with individual borrowers and risks resulting from uncertainties as to the future value of collateral. The risk of non-payment of loans is inherent in commercial banking. Although the Issuer attempts to minimise its credit risk through credit policies, procedures, practices and audit functions, it cannot assure that these policies and procedures are adequate or that they will appropriately adapt to any new markets. Any failure by the Issuer to effectively implement and follow its risk management procedures may result in higher risk exposures which could materially affect its business, results of operations and financial condition. Thus, it may, in the course of its activities, incur losses. Market conditions in recent years have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk.

17. RISK FACTORS (continued)

The Issuer's trading operations are subject to material risks inherent in trading activities. The Issuer has established control procedures and risk management policies in connection with its trading operations with a view to managing these risks. However, its procedures and policies might not be appropriately designed to prevent its results of operations and financial condition from being materially and adversely affected by movements and volatility in market prices for securities and in foreign currency exchange rates. In addition, its procedures and policies may not be sufficient to prevent its traders from entering into unauthorised transactions that have the potential to damage its financial condition. Accordingly, the Issuer cannot assure that it will achieve its objectives with respect to its trading operations or that these trading operations will not negatively affect its results of operations and financial condition in future periods.

The Issuer's financial condition and results of operations would be adversely affected if its allowance for loan losses is not sufficient to absorb actual losses

As is common in the banking industry worldwide, a portion of the Group's loans will become non-performing, and some of these loans may only be partially repaid or may never be repaid at all. The Group's allowance for loan losses totalled $308.1 million or 2.67% of total loans as of March 31, 2013, and the Group believes that this amount is adequate to absorb any losses inherent in its loan portfolio. However, estimates of loan losses are inherently judgmental and their accuracy depends on the outcome of a wide range of future events. The Group may need to make significant and unanticipated increases in its loss allowances in the future, which would materially affect its results of operations and financial condition.

A decline in the value of real estate in Trinidad & Tobago could cause part of the Issuer's loan portfolio to become under-collateralised which would, in turn, require additional loan loss provisions and negatively affect its results of operations and financial condition

The market value of real estate can fluctuate in a short period of time as a result of market conditions in the geographic area in which the real estate is located. If the value of the real estate in Trinidad & Tobago that constitutes collateral for the Issuer's loan portfolio were to decline materially, a significant part of its loan portfolio could become under-collateralised.

If the loans that are collateralised by real estate become troubled during a time when market conditions are declining or have declined, the Issuer may not be able to realise the amount of security that it anticipated at the time of originating the loan which could have a material adverse effect on its loan loss provision and its results of operations and financial condition.

The Issuer's investing businesses may be adversely affected by the poor investment performance of its investment products

Poor investment returns in the Issuer's asset management business, due to either general market conditions or underperformance (measured against the performance of benchmarks or of its competitors) by funds or accounts that the Issuer manages, affects its ability to retain existing assets and to attract new clients or additional assets from existing clients. This could adversely affect the asset management fees that are earned on assets under management or the commissions that the Issuer earns for selling other investment products or from its brokerage activities.

Any reduction in the Issuer's credit rating could increase the cost of its funding from, and restrict its access to, the capital markets and have a material adverse effect on its results of operations and financial condition

The Issuer's long-term/senior debt is currently rated investment grade by Moody's and Standard & Poor's. The international rating agencies regularly evaluate the Issuer, and their ratings of its long-term and short-term debt are based on a number of factors including financial strength, as well as factors not entirely within its control, such as conditions affecting the financial services industry generally.

In light of the difficulties in the financial services industry and the financial markets generally, or as a result of events affecting the Issuer more specifically, it may not be able to maintain its current rating. A reduction in its credit rating could adversely affect its liquidity, widen its credit spreads or otherwise increase its borrowing costs and limit the Issuer's access to the capital markets. Termination of the Issuer's trading contracts could cause it to sustain losses and impair its liquidity by requiring the Issuer to find other sources of financing or to make significant cash payments or securities transfers. Additionally, the Issuer currently has uncommitted credit lines related to its correspondent banking and repo trading operations, the terms of which may be adversely affected or which could be terminated entirely as a result of a reduction in its credit rating.

17. RISK FACTORS (continued)

The Issuer could suffer losses as a result of the actions of or deterioration in the commercial soundness of other financial services institutions and counterparties

The Issuer's ability to engage in routine trading and funding transactions could be adversely affected by the actions and commercial soundness of other market participants. The Issuer has exposure to many different industries and counterparties, and routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients.

Financial services institutions and other counterparties are inter-related because of trading, funding, clearing or other relationships. As a result, defaults by, or even rumors or questions about, one or more financial services institutions or the financial services industry generally, have led to market-wide liquidity problems and could lead to future losses or defaults by the Issuer or by other institutions. Many of these transactions expose the Issuer to credit risk in the event of default of a counterparty or client. In addition, its credit risk may be impacted when the collateral held by the Issuer cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivatives exposure due to the Issuer. There is no assurance that any such losses would not materially and adversely affect its results of operations.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect its financial results

The Issuer's accounting policies and methods are fundamental to how it records and reports its financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported value of its assets or liabilities and financial results, and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. Accounting standard setters and those who interpret the accounting standards (such as the TTSEC, banking regulators and independent auditing firms) may amend or even reverse their previous interpretations or positions on how accounting standards should be applied. These changes can be hard to predict and can materially impact how the Issuer records and reports its financial condition and results of operations.

The Issuer's future success will depend, to a degree, upon its ability to implement and use new technologies

The financial services industry is undergoing rapid technological change, with frequent introductions of new technology-driven services and products. In addition to improving the ability to serve customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. The Issuer's future success will depend, in part, upon its ability to address the needs of its customers by using technology to provide services and products that will satisfy customer demands for convenience, as well as to create additional efficiencies in its operations. The Issuer may not be able to effectively implement new technology-driven services and products or be successful in marketing these services and products to its customers.

Any failure in the operation, or breach in security, of the Issuer's computer systems may undermine customer confidence or give rise to liability which would, in turn, adversely affect its business, results of operation, financial condition and prospects

The Issuer's businesses are highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions. The computer systems and network infrastructure used by the Issuer could be vulnerable to unforeseen problems. The Issuer's operations are dependent upon its ability to protect its systems against damage from fire, power loss, telecommunications failure or a similar catastrophic event. The Issuer's financial, account, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond its control, such as a spike in transaction volume or unforeseen catastrophic events, adversely affecting its ability to process these transactions or provide these services. Any damage or failure that causes an interruption in its operations could have an adverse effect on its financial condition and results of operations.

The Issuer's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Given the high volume of transactions at the Issuer, certain errors may be repeated or compounded before they are discovered and rectified. The occurrence of one or more of such events could potentially jeopardise, its clients', its counterparties' or third parties' confidential and other information processed and stored in and transmitted through its computer systems and networks, or otherwise cause interruptions or malfunctions in its clients', its counterparties' or third parties' operations which could result in significant losses or reputational damage.

17. RISK FACTORS (continued)

In addition, the Issuer's operations are dependent upon its ability to protect its computer systems and network infrastructure against damage from physical break-ins, security breaches and other disruptive problems. The Issuer's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could have a security impact.

The Issuer is dependent upon members of its senior management, and the loss of their services could have an adverse effect on the Issuer's operations

The Issuer's success depends, to a significant extent, upon the performance of members of its senior management, including its Chief Executive Officer and its Deputy Chief Executive Officer. The loss of the services of members of its senior management could have an adverse effect on the Issuer's business. The Issuer cannot assure that it will be successful in retaining their services. In order to retain the services of members of its senior management and attract experienced officers, the Issuer would, among other things, have to provide them with competitive compensation. If the Issuer is unable to retain its key personnel and retain and attract experienced executive officers, it may not be able to implement its strategies and, accordingly, its business, results of operations, financial condition or prospects may be negatively affected.

The Issuer's compensation arrangements for these and other employees are based on a compensation scale for Government-owned entities promulgated by GORTT and are subject to GORTT approval which may not be granted on a timely basis or at all.

The Issuer's operations could be affected by industrial action

The Issuer is currently engaged in negotiations with the Banking Insurance and General Workers Union for a new Collective Agreement for the bargaining unit for the period January 1, 2012 to December 31, 2014. Both sides continue to negotiate with a view to achieving an amicable resolution. The Issuer expects to commence discussions with the Barbados Workers' Union for the period January 2013 to December 2015. If not resolved, the Issuer could face disruption of its operations due to industrial action.

The Group is subject to income taxation in various jurisdictions which could have a material impact on the Issuer's financial results

The Group is subject to income tax in various jurisdictions. Management judgment is required in determining provisions for income taxes and there are many transactions and calculations for which the ultimate tax determination is uncertain. These judgments, which are on inherently uncertain taxation matters, are often complex and subjective. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made and can materially impact the financial results of the Issuer.

18. RELATED PARTY TRANSACTIONS

The breakdown of related party transactions as at March 31, 2013 and September 30, 2012, is included in Section 12 and Appendix 4.

A description of the Issuer's related party transactions was included under Risk Factors in Section 17.

19. DIRECTORS' REPORT

We confirm that to the best of our knowledge and belief, after due inquiry by us, that in the period following the last audited financial statements, September 30, 2012, to the date of this Prospectus, May 20, 2013:

- The business of the Issuer has, in our opinion, been satisfactorily maintained;
- There have not been, in our opinion, any circumstances arising which have adversely affected the trading or the value of the assets of the Issuer;
- The current assets of the Issuer appear in the books at values which are believed to be realisable in the ordinary course of business;
- There are no contingent liabilities, with the exception of those presented under Section 20 ('Legal Proceedings') which have arisen by reason of guarantees or indemnities given by the Issuer; and
- There have been no significant changes affecting the financial position of the Issuer.

NYREE D. ALFONSO

LARRY NATH

RISHI BADDALOO

ANIL SEETERRAM

Absent due to illness

CINDY BHAGWANDEEN

SHOBEE JACELON

MARLENE JUMAN

ANTHONY MOHAMMED

VISHNU D.K. MUSAI

RAMISH RAMANAND

VED SEEREERAM

May 20, 2013

20. LEGAL PROCEEDINGS

The Issuer is involved in a number of legal proceedings in the ordinary course of business. Except as set forth below, the Issuer is not involved in any litigation or other legal or regulatory proceedings, the outcome of which would, individually, or in the aggregate, have a material adverse effect on the Issuer.

Defendant	Potential Liability	Nature of the Claim	Current Status
FCBL	Approx. $8,293,361 (original claim against the Issuer)	An Application for an Order pursuant to Sec. 19 of Arbitration Act. Chp. 5 No. 1 that the Arbitration Award in favour of the Issuer published by the Abitrator to the Claim and on the 18th April, 2012 be set aside.	On May 9, 2012 the Claimant filed an Application to set aside the Order made in favour of the Issuer for the sum of $1,389,210.74. By a decision delivered on March 14, 2013, the Court granted an Order to set aside the Arbitration Award granted in favour of the Issuer. The Parties are amenable to settlement discussions. However the Issuer is of the view that the claim of approximately $8 million as alleged is unsubstantiated and will vigorously seek to compromise at a lesser sum, if necessary.

21. STATEMENT OF RIGHTS

Section 139 (1) of the SA, 2012, provides that a purchaser of a security distributed under a prospectus has a right of action for damages against each of the persons set out in this section for any loss or damage sustained by him by reason of any misrepresentation in the prospectus.

Section 140 (1) of the SA, 2012, provides purchasers with the right to withdraw from an agreement to purchase securities. The securities legislation further provides a purchaser with remedies for rescission and damages if the Prospectus or any amendment contains a misrepresentation.

The purchaser should refer to the SA, 2012 as amended and the By-Laws thereunder, for the particulars of these rights or consult with a legal adviser.

22. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection between 9am and 4pm from July 15, 2013 to August 9, 2013, at the office of the Lead Stockbroker or from any Branch of the Issuer:

(a) Certificate of Continuance, the Articles of Continuance, the By-Laws and the Articles of Amendment and Special Resolution relating to the increase in authorised share capital and related matters.

(b) Five year Summary Consolidated Financial Statements to 30 September 2012 and related Accountant's Report.

(c) Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 31 March 2013 and related Accountant's Report.

(d) Letters of Consent for inclusion of Accountant's Reports by PricewaterhouseCoopers.

(e) Financial Projections to September 30, 2013 and related Accountants' Report.

(f) Receipt for the Prospectus from the TTSEC.

23. CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the Issuer and the securities distributed by this Prospectus as required by the Securities Act, 2012 and the By-Laws thereunder.

LARRY NATH
GROUP CHIEF EXECUTIVE OFFICER

SHIVA MANRAJ
CHIEF FINANCIAL OFFICER

NYREE D. ALFONSO
CHAIRPERSON

ANIL SEETERRAM
DEPUTY CHAIRMAN

24. CONSENT LETTER

The Directors
First Citizens Bank Limited
9, Queen's Park East,
Port of Spain

20 May 2013

Dear Sirs,

Re: Consent letter

In accordance with By-Law 41 of the Securities Act, 2012 we consent to being named in and to authorise the use of the following reports in the Prospectus to be filed by First Citizens Bank Limited (The Issuer) with the Trinidad and Tobago Securities and Exchange Commission in [Date]:

a) Audit opinion dated 28 December 2012 on the consolidated financial statements of First Citizens Bank Limited and its Subsidiaries for the year ended 30 September 2012;

b) Accountants' Report dated 20 May 2013 on the consolidated summary financial statement extracts of First Citizens Bank Limited and its Subsidiaries for the five years ended 30 September 2012;

c) Accountants' Report dated 20 May 2013 on the interim condensed consolidated financial statements of First Citizens Bank Limited and its Subsidiaries for the six months ended 31 March 2013; and

d) Accountants' Report dated 20 May 2013 on the financial projections of First Citizens Bank Limited and its Subsidiaries to 30 September 2013.

We have read the Prospectus and have no reason to believe there are any mis-representations in it that:

(i) may be derived from the financial statements of the Issuer which we have reported on; or
(ii) are within our knowledge as a result of our audit of the financial statements of the Issuer.

We also confirm in accordance with By-Law 42 of the By-Laws that we have no interest in First Citizens Bank Limited and are independent of the Issuer in all respects.

Yours faithfully

PricewaterhouseCoopers

25. SUBSCRIPTION INFORMATION

APPLICATION FOR ORDINARY SHARES

Application to purchase ordinary shares under the public offer must be made on the Share Subscription Form included under Appendix 5 of this Prospectus. Copies of the Prospectus and Share Subscription Forms are available from First Citizens Brokerage & Advisory Services Limited (FCBAS) or from any branch of the Issuer or from any of the other authorised stockbrokers. Each Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of $22 per share with FCBAS. A valid account with the TTCD is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account submit an application through their broker. Persons with a TTCD account with FCBAS can submit an application at any office of FCBAS or at any branch of First Citizens Bank Limited. Persons without a TTCD account can visit FCBAS or any of the authorised stockbrokers to open a TTCD account and submit their application. Refer to Appendix 6 for a checklist of information/requirements to open a TTCD account.

A separate remittance must accompany each Share Subscription Form and any Share Subscription Form which does not comply with the requirements set out in that form may be refused. Cheques must be made payable to "First Citizens Brokerage & Advisory Services Limited". Applications shall not be binding if written notice of applicant's intention to withdraw his/her application is provided to FCBAS within two business days after submission of the application. This written notice should be addressed to and delivered to FCBAS.

The Issuer reserves the full and unconditional right to accept or reject any application or to accept any application in part only. If any application is not accepted, or is accepted for less ordinary shares than those applied for, the remittance of the Offer Price or the excess amount, as the case may be, will be returned as soon as possible by electronic funds transfer Automated Clearing House (ACH) at the risk of the applicant.

If the Offer is fully subscribed and an applicant is a party to more than one application, whether individually or jointly, then after the first to which he is a party has been dealt with, all other applications will be rejected. A joint application of a husband and wife will be treated as that of one individual.

OFFER TO PURCHASE ORDINARY SHARES

This offer is made on the basis that the Purchaser offers to purchase from the Issuer at the Offer Price the number of ordinary shares indicated in their application (or any smaller number in respect of which their application is accepted) in the Issuer on the Terms and Conditions of application.

Once the Purchaser expresses interest in the purchase (by way of the application for purchase) it will be on the basis that his/her/its application cannot be revoked unless written notice of Purchaser's intention to withdraw his/her/its application is provided to FCBAS within two business days after submission of the application. The Purchaser also promises that the cheque or draft accompanying his/her/its application will be honoured on first presentation.

If a Share Subscription Form is not completed correctly, or if the accompanying Managers' Cheque, bankers' draft or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, it is the Issuer's decision as to whether to treat such an application as valid, and how to construe, amend or complete it shall be final. The Purchaser will not, however, be treated as having offered to purchase more ordinary shares in the Issuer than is indicated on its application for ordinary shares.

ACCEPTANCE OF OFFER TO PURCHASE ORDINARY SHARES

The Issuer may accept an application to purchase (if such application is received, valid, processed and not rejected) or notify the TTSE of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the number of ordinary shares in the Issuer in an application to purchase may be scaled down. If the Issuer accepts an application to purchase (in whole or in part), there will be a binding contract under which the Purchaser will be required to purchase the ordinary shares in respect of which their application has been accepted.

25. SUBSCRIPTION INFORMATION (continued)

PAYMENT FOR THE ORDINARY SHARES

This offer is made on the basis that the Purchaser will undertake to pay the Offer Price for the ordinary shares in the Company in respect of which their application for purchase is accepted. The Manager's Cheque or bankers' draft accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of $500,000 subject to appropriate anti-money laundering disclosures. The proceeds of this presentation will be held pending acceptance and if an application is accepted, will be applied in discharging the consideration which is due upon acceptance. Following full payment of the Offer Price the Issuer will arrange for the ordinary shares which the Purchaser has agreed to purchase to be transferred to the Purchaser via the Trinidad and Tobago Central Depository.

If an application is invalid, is rejected or is not accepted in full, any proceeds of the Manager's Cheque, bankers' draft or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the Purchaser without interest.

ALLOCATIONS

The basis of allocation of the ordinary shares is expected to be announced by August 30, 2013. If an application is successful in whole or in part, the Purchaser will be sent notification in writing to the address noted on the application form, of the number of ordinary shares allocated to them. In the event of excess demand, the Purchaser may be allocated fewer ordinary shares than applied for or in some cases, none at all. If an application is not accepted, all monies paid on application will be returned (without interest). If an application is accepted in part, the Purchaser will receive (without interest) a refund of the balance of the monies paid on application.

The application for purchase might be rejected by the Issuer, acting in good faith, for the reasons including but not limited to the following:

1. If the application for purchase is incomplete;
2. If it is discovered that the Purchaser has one or more brokerage accounts and is utilising same to make more than one application for the purchase of the shares;
3. If the Purchaser's identity is fictitious and not supported by valid identification; and
4. If the application for purchase, as presented, contravenes any existing law or statue.

Under no circumstances will more than 48,495,665 ordinary shares be allotted in total.

The right is reserved to present for payment all Manager's Cheques or Bankers Drafts received but this will be avoided where practicable in respect of applications for which it is not expected to make an allocation. All cheques must be honoured on first presentation.

Each employee will be given the right to buy a specified minimum allocation of shares in an amount of 500, but each employee could purchase additional shares up to 5,000, and the shares purchased would be subject to a discount of 10% of the Offer price. Thereafter, employees can purchase shares in excess of 5,000 at the Offer price.

Each individual investor who is a national of Trinidad & Tobago will be given the right to buy a guaranteed minimum allocation of 50 shares.

If the Offer is oversubscribed, consistent with the Government's policy of promoting the widest possible participation in share ownership, priority to receive the allocation applied for up to the limits noted (as a percentage of the maximum Offer) shall be given as follows in descending order of priority:

1.	Employees of the Issuer	15%
2.	Individual investors who are nationals of Trinidad & Tobago	15%
3.	Registered pension and other trust funds, Credit Unions and Cooperatives	25%
4.	Registered mutual funds including The Trinidad & Tobago Unit Trust Corporation	25%
5.	National Insurance Board	10%
6.	Companies registered in Trinidad and Tobago and other investors such as the Commonwealth Development Corporation and the Caribbean Investment Fund	10%

25. SUBSCRIPTION INFORMATION (continued)

NOTIFICATION OF ALLOCATIONS

It is expected that the Application Forms will be processed and successful applicants for the Offer will be notified in writing of their allocations not later than August 30, 2013 together with any refund of monies received, as appropriate.

NO MULTIPLE APPLICATIONS

Only one application may be made for the benefit of any person or institution. Any application which breaches these rules is a multiple application. Multiple applications and suspected multiple applications may be rejected at the discretion of the Issuer.

WARRANTIES

The purchaser is required to warrant in the application for purchase that:

- They are not under 18 years of age on the date of application.

- In making the application, the Purchaser is relying only on the Prospectus, subject to independent advice, and not on any other information or representation outside of the Prospectus concerning the ordinary shares or the Offer. The purchaser will agree in the application for purchase that no person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.

- If the laws of any place outside the Republic of Trinidad and Tobago are applicable to an application, the Purchaser has complied with all such laws and neither the Issuer nor its agents will infringe any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase or any actions arising from the Purchaser's rights and obligations under these Terms and Conditions of Application, and the Articles and By-Laws of the Issuer.

- If the person signing the application is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney, a copy of which accompanies the application for purchase.

- The declarations on the Application Form are true and correct. If they are not, the Purchaser may be making a multiple application. Any final allocation notice, Share Certificate or returned application monies relating to a person suspected of making a multiple application may be held (in case of money, without interest) pending investigation.

The rights and remedies of the Issuer under the terms and conditions of application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.

Details uploaded to the TTCD accounts, electronic funds transfers made and/or all documents sent will be at the Purchaser's risk. The information provided by the Purchaser in its application for purchase will be used for all future correspondence (written or electronic).

The Purchaser will agree to be bound by the Articles and By-Laws of the Issuer once the ordinary shares they have agreed to purchase have been transferred to them.

An application by the Purchaser, any acceptance of that application and the contract resulting therefrom, will be governed by and construed in accordance with the Laws of Trinidad & Tobago.

25. SUBSCRIPTION INFORMATION (continued)

TAXATION

Shareholders will be subject to Trinidad & Tobago taxation as summarised below:

Resident Shareholders

Resident individuals who own shares in Issuer will be exempt from Income Tax and Business Levy on dividends received from the Company by virtue of Sections 8(1)(w) and 5A(2)(a) respectively of the Income Tax Act. Resident corporate shareholders will be exempt from Corporation Tax and Business Levy on dividends paid by the Issuer by virtue of Sections 6(1)(a) and 3A(2)(c) respectively of the Corporation Tax Act. However, individual shareholders who own their shares through a partnership and corporate shareholders will be liable for green fund levy on dividends received.

Capital Gains

There is no capital gains tax regime in Trinidad & Tobago, however, chargeable short-term capital gains are charged to tax as income or profits. A short-term capital gain is a gain that occurs on the sale of a capital asset within 12 months of its acquisition. However, where that gain arises on the sale of securities, including shares, it will fall outside the charge to tax if it arises in Trinidad & Tobago.

Non-resident Shareholders

Non-resident shareholders who own shares in the Issuer will be subject to withholding tax on dividends paid at the standard rate of tax of either 10%, or if the shareholder is a parent company 5%, or at such lower treaty rate as may apply. The Caricom Double Taxation Treaty exempts all persons resident in a Caricom country which has ratified the Treaty from withholding tax on those dividends and any further tax in their country of residence. Purchasers should seek tax advice from professional sources on their specific circumstances.

EXPENSES AND COMMISSIONS

The Stockbrokers, Advisors and Bankers to the Issuer have been appointed on the direction of the Issuer. Expenses and Commissions of the Offer are to be borne by the Issuer and paid out of the sale proceeds.

CONSENT OF PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers has given their written consent to include the Auditor's Report on the consolidated financial statements of the Issuer for the year ended September 30, 2012, the Accountant's Report on the five year consolidated summary financial history of the Issuer, the Accountant's Report on the interim condensed consolidated financial statements for the six months ended March 31, 2013, and the Accountant's Report on the financial projections of the Issuer in this Prospectus in the form and context in which these documents are included and PricewaterhouseCoopers has not withdrawn such consent.

APPENDIX 1 - INTELLECTUAL PROPERTIES

The Issuer owns a number of Trademarks/Service marks, which are leveraged across all types of banking services. The expiry dates of these ranges between 2015 and 2020.

Registered as Mark No.	Name of Trademark Service Mark	Application Effective Date	Expiry Date
28129 in Class 41 in respect of programmes to promote knowledge and awareness of the environment; to promote educational competitions relating to the environment	Care – Citizens in Action to Restore the Environment	March 25, 1998	March 24, 2018
28207 in Class 36 in respect of All types of Banking Services	Old Logo – First Citizens Bank & Device	April 17, 1998	April 16, 2018
B23859 in Class 36 in respect of All types of Banking Services	Chequing & Device – "All types of Banking Services"	April 25, 1995	April 24, 2019
30503 in Class 36 in respect of All types of Banking Services	fcb-e-bank.com & Device	March 2, 2000	March 1, 2020
B31225 in Class 36 in respect of All types of Banking Services	First Swipe & Device	October 5, 2000	October 4, 2020
31223 in Class 36 in respect of All types of Banking Services	Vacation Lifestyle & Device	October 5, 2000	October 4, 2020
24431 in Class 36 in respect of All types of Banking Services	First Citizens M.I.D.A.S.	August 18, 2005	August 17, 2015
36351 in Class 36 in respect of All types of Banking Services	New Logo – First Citizens	August 18, 2005	August 17, 2015
25835 in Class 36 in respect of All types of Banking Services	First Express & Device	August 29, 2006	August 28, 2016
39727 in Class 36 in respect of All types of Banking Services	"Click First" Device – Filed on 1th April 2008 (Awaiting Certificate)		
30776 in Class 36 in respect of All types of Banking Services	62 First Banking from Any Phone & Device	May 26, 2010	May 25, 2020
36350 in Class 36 in respect of All types of Banking Services	"All types of Banking Services"	August 18, 2005	August 17, 2015

APPENDIX 2 – OWNED AND LEASED PROPERTIES

The Issuer owns the land and building comprising its headquarters, 3 other operations centers, the learning center, a manager's residence in Tobago and 12 of its branches. The Bank leases the remainder of the land and buildings comprising 9 branches. The details of all owned and leased properties are shown in the following tables:

Freehold properties

Ref #	Property
1	Corporate Centre, No. 9, Queens Park East and No. 52A, Jerningham Avenue
2	44-46, Maraval Road and No.59, Picton Street, Newtown, Port of Spain
3	17, Wainright Street, St. Clair
4	80-84, Charlotte Street and No. 58, Duke Street, Port of Spain
5	62, Independence Square, Port of Spain
6	16, Park Street, Nos. 99-103, Henry Street and Nos. 104-106, Frederick Street, Port of Spain
7	45-47, Abercromby Street and No. 50, St. Vincent Street, Port of Spain
8	8, Hollis Avenue, Arima
9	23-27, Eastern Main Road, San Juan
10	Corner of Atlantic Avenue and Orinoco Drive, Point Lisas Industrial Estate, Point Lisas
11	Lots A and B, Market Street, Chaguanas
12	36, Main Road, Point Fortin
13	High Street, Princes Town
14	Corner High and Penitence Streets, San Fernando
15	Corner of Trincity Central Road and St. Clair Boulevard, Trincity
16	Lot 9, Sunrise Corporate Park, Trincity
17	Mayaro Guayaguayare Road, Mayaro (Near LP 194)
18	Scarborough Mall
19	Lot 12, Courland Development, St. Patrick, Tobago

Freehold properties are carried at fair value based on valuations performed by independent valuators and amounted to $296.8 million at March 31, 2013. These valuations were performed using the direct comparable approach and the open market basis. The former uses recent sales of similar properties in order to determine the current fair value, while the latter approach considers current market conditions to determine open market values.

APPENDIX 2 – OWNED AND LEASED PROPERTIES

Leasehold properties

The key details of these lease arrangements for the Issuer and its subsidiaries follow:

Location	Duration of Lease	Start Date	End Date
First Citizens Bank Limited			
44, Western Main Road, Diego Martin	5 years	January 1, 2009	December 31, 2014
Movietowne, Invaders Bay	5 years	July 1, 2006	June 30, 2011**
121, Henry Street, POS	3 years	April 15, 2010	April 14, 2013
One Woodbrook Place, POS	15 years	May 1, 2011	April 30, 2026
76, Boundary Road, El Socorro	5 years	July 1, 2008	June 31, 2013
76, Boundary Road, El Socorro	6 years	May 1, 2008	April 30, 2014
76, Boundary Road, El Socorro	3 years	December 1, 2009	November 30, 2012**
Eastern Main Road, Sangre Grande	5 years	June 1, 2009	May 31, 2014
Carib Chem Complex, Churchill Roosevelt Hway & Cyrus Road, El Socorro	3 years	September 1, 2009	August 31, 2012**
Corner Cochrane Street and Eastern Main Road, Tunapuna	5 years	September 1, 2009	August 31, 2014
1st Floor, DHL Building, Chanka Trace, El Socorro	5 years	March 1, 2010	February 28, 2015
Montrose Main Road, Chagaunas	5 years	December 1, 2009	November 29, 2014
Yufe Building, Market Street Extension, Chagaunas	10 years	September 1, 2010	August 31, 2021
127, Milford Road, Canaan, Tobago	3 years	September 1, 2010	August 31, 2013
The Courtyard, LP 839, Windward Road, Roxborough, Tobago	3 years	October 1, 2009	August 30, 2012**
Southern Main Road and Noel Street, Couva	5 years	April 1, 2006	March 31, 2011**
Super Pharm Building, 2, South Trunk Road, La Romain	5 years	April 4, 2008	March 31, 2013 **
Southern Main Road, Marabella	15 years	July 1, 2010	June 30, 2025
66 High Street, Siparia	3 years	March 1, 2010	February 28, 2013 **
Penal Rock Road, Penal	10 years	April 4, 2012	March 31, 2022
Bureau de Change, Piarco	Month to Month		
First Citizens Investment Services Limited			
46, Lady Hailes Avenue, San Fernando	5 years	November 1, 2011	September 30, 2014
Warrens, St. Michael, Barbados	10 years	June 1, 2010	May 31, 2020
Griffith Corporate Center, Beachmont Kingstown, St. Vincent	3 years	June 1, 2011	May 31, 2014
9-11, Brazil Street, Castries, St. Lucia	10 years	May 1, 2012	April 30, 2022

APPENDIX 2 – OWNED AND LEASED PROPERTIES

Leasehold properties (continued)

Location	Duration of Lease	Start Date	End Date
First Citizens Bank (Barbados) Limited			
1st Floor, Carlisle House, Bridgetown	3 years	August 1, 2011	October 31, 2014
Carlisle House, Annex, Bridgetown	3 years	November 1, 2012	October 31, 2015
Broad Street Banking Centre, 1, Beckwith Placem Lower Broad Street, Bridgetown	3 years	November 1, 2012	October 31, 2015
Sagicor Financial Centre, Collymore Rock, St. Michael	3 years	November 1, 2012	October 31, 2015
Big B Banking Centre, Penonne Plaza, Worthing Christ Church	2 yrs + 2 yrs	November 1, 2012	October 31, 2016
JB's Banking Centre, Sergent's Village, Christ Church	2 yrs + 2 yrs	November 1, 2012	October 31, 2016
Somerly Banking Centre, Worthing, Christ Church	15 years	September 17, 2009	September 16, 2024
Cedar Court, Wildey Business Park, St. Michael	8 years	March 31, 2012	March 31, 2020
Trident House, Lower Broad Street, Bridgetown	Month to Month		
Carlton Supermarket, Black Rock, St. Michael	Month to Month		
FCCR First Citizens Costa Rica SA			
Oficentro Eurocenter 1, Barreal de Heredia, Costa Rica	3 years	March 1, 2012	March 1, 2015

** Leases are currently being re-negotiated

APPENDIX 3 – AUDITOR'S REPORT

Independent Auditor's Report

To the shareholders of
First Citizens Bank Limited

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of First Citizens Bank Limited (the Company) and its Subsidiaries (together, the Group), which comprise the consolidated statement of financial position as of 30 September 2012, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 30 September 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
28 December 2012
Port of Spain
Trinidad, West Indies

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012

Consolidated Statement of Financial Position

	Notes	As at 30 September 2012 $'000	2011 $'000
ASSETS			
Cash and due from other banks	6	2,449,484	1,600,743
Statutory deposits with Central Bank	7	4,446,808	4,071,727
Financial assets			
- Available-for-sale	8(a)	9,215,853	8,787,840
- Held to maturity	8(b)	1,633,245	1,819,039
- Fair value through profit or loss	8(c)	2,690	5,354
- Loans and receivables less allowances for losses:			
Loans to customers	9	10,321,665	8,795,000
Other loans and receivables	10	1,715,979	1,836,619
Loan notes	11	2,607,625	2,677,187
Finance leases	12	3,891	4,756
Other assets	13	578,317	578,192
Investment in joint ventures	14	18,853	16,130
Investment in associate	15	116,555	112,852
Due from parent company		2,221	2,045
Tax recoverable		34,167	18,396
Property, plant and equipment	16	446,106	422,492
Intangible assets	17	211,120	157,735
Retirement benefit asset	18	228,659	254,186
TOTAL ASSETS		34,033,238	31,160,293
LIABILITIES			
Customers' deposits	19	18,894,585	16,047,346
Other funding instruments	20	6,038,847	6,641,669
Due to other banks		63,251	80,099
Creditors and accrued expenses	21	408,224	196,119
Taxation payable		59,796	2,890
Bonds payable	22	2,448,358	2,936,615
Deferred income tax liability	23	313,122	51,434
Notes due to parent company	24	58,000	58,000
TOTAL LIABILITIES		28,284,183	26,014,172
CAPITAL AND RESERVES ATTRIBUTABLE TO THE PARENT COMPANY'S EQUITY HOLDERS			
Share capital	25	643,557	640,000
Statutory reserve	26	666,132	661,446
Retained earnings		3,267,083	2,932,315
Other reserves		1,172,283	912,360
TOTAL SHAREHOLDERS' EQUITY		5,749,055	5,146,121
TOTAL EQUITY AND LIABILITIES		34,033,238	31,160,293

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

On 19 December 2012, the Board of Directors of First Citizens Bank Limited authorised these consolidated financial statements for issue.

Director: ____________________ Director: ____________________

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Consolidated Income Statement

	Notes	Year Ended 30 September 2012 $'000	2011 $'000
Interest income	27	1,492,438	1,571,447
Interest expense	28	(396,135)	(445,928)
Net Interest Income		1,096,303	1,125,519
Fees and commissions	29	267,077	231,000
Gain on sale of available-for-sale financial assets		54,113	11,759
Foreign exchange gains	30	64,100	58,663
Other income		37,748	25,384
Total Net Income		1,519,341	1,452,324
Impairment loss on loans, net of recoveries	9(c)	(37,922)	(71,891)
Impairment loss on other financial assets		(28,863)	(21,594)
Administrative expenses	31	(445,752)	(422,290)
Other operating expenses	32	(306,796)	(256,467)
Operating Profit		700,008	680,083
Share of profit in associate	15	11,433	6,526
Share of profit in joint ventures		2,723	1,944
Profit Before Taxation		714,164	688,553
Taxation	33	(267,772)	29,638
Profit For The Year		446,392	718,191

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

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Consolidated Statement of Comprehensive Income

	Year Ended 30 September 2012 $'000	2011 $'000
Profit For The Year	446,392	718,191
Other Comprehensive Income		
Exchange difference on translation	5,057	278
Revaluation of available for sale assets net of tax	243,038	(209,215)
Revaluation of property, plant and equipment net of tax	11,694	—
Share of other comprehensive income of associates and joint ventures accounted for under the equity method	134	152
Total Other Comprehensive Income For The Year	259,923	(208,785)
Total Comprehensive Income For The Year	706,315	509,406

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

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Consolidated Statement of Changes in Equity

	Share Capital $'000	Statutory Reserve $'000	Fair Value Reserve $'000	Revaluation Surplus $'000	Exchange Differences on Translation $'000	Retained Earnings $'000	Total $'000
Balance At 1 October 2011	640,000	661,446	820,654	85,002	6,704	2,932,315	5,146,121
Comprehensive Income							
Profit for the year	—	—	—	—	—	446,392	446,392
Other comprehensive income for the year	—	—	243,038	11,828	5,057	—	259,923
Total comprehensive income for the year	—	—	243,038	11,828	5,057	446,392	706,315
Transactions with Owners							
Dividends (Note 34)	—	—	—	—	—	(106,938)	(106,938)
Transfer of statutory reserve	—	4,686	—	—	—	(4,686)	—
Issued shares	3,557	—	—	—	—	—	3,557
Balance At 30 September 2012	643,557	666,132	1,063,692	96,830	11,761	3,267,083	5,749,055
Balance At 1 October 2010	640,000	699,282	1,029,717	85,002	10,917	2,434,768	4,899,686
Comprehensive Income							
Profit for the year	—	—	—	—	—	718,191	718,191
Other comprehensive income for the year	—	—	(209,063)	—	(4,213)	4,491	(208,785)
Total comprehensive income for the year	—	—	(209,063)	—	(4,213)	722,682	509,406
Transactions with Owners							
Dividends (Note 34)	—	—	—	—	—	(262,971)	(262,971)
Transfer to statutory reserves	—	(37,836)	—	—	—	37,836	—
Balance At 30 September 2011	640,000	661,446	820,654	85,002	6,704	2,932,315	5,146,121

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

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Consolidated Statement of Cash Flow

	Note	Year Ended 30 September 2012 $'000	2011 $'000
Profit before taxation		714,164	688,553
Adjustments to reconcile profit to net cash provided by operating activities:			
Share of profit in associate		(11,433)	(6,526)
Share of profit in joint ventures		(2,723)	(1,944)
Interest income		(1,492,438)	(1,571,447)
Interest received		1,468,211	1,602,769
Interest expense		396,135	445,928
Interest paid		(392,292)	(471,862)
Depreciation and amortisation		62,418	56,703
Gain on disposal of property, plant and equipment		(425)	—
Gain on sale of available-for-sale financial assets		(54,113)	(11,759)
Amortisation of premium on investment securities		23,640	16,144
Amortisation of bond issue cost		3,498	3,708
Impairment loss on other financial assets		28,863	21,594
Net pension income		35,529	33,884
Net movement in allowance for loan loss		62,987	(71,891)
Cash flows from operating activities before changes in operating assets and liabilities		842,021	733,854
Net change in loans to customers		(1,589,652)	(296,895)
Net change in finance leases		865	668
Net change in customers' deposits		2,847,240	48,243
Net change in other funding instruments		(602,822)	1,122,379
Net change in other assets		24,100	(187,657)
Net change in due from parent company		(176)	(68)
Net change in statutory deposits with Central Bank		(375,080)	(705,243)
Dividends received		684	268
Net change in creditors and accrued expenses		208,262	27,667
Pension contributions paid		(10,002)	(9,693)
Taxes paid		(62,205)	(51,592)
Net cash flow from operating activities		1,283,235	681,931
Cash Flows From Investing Activities			
Purchase of financial assets			
- Available-for-sale		(6,555,038)	(5,696,773)
- Held to maturity		(33,967)	(109,469)
- Designated at fair value		—	(2,909)
- Other loans and receivable		—	(18,520)
Proceeds from sale of financial assets			
- Available-for-sale		6,546,350	5,736,551
- Held to maturity		217,840	255,922
- Designated at fair value		3,126	661
- Other loans and receivable		96,820	—
Repayment on loan notes receivable		73,700	73,700
Repayment of derivative financial instrument		—	(16,527)
Net change in short-term investments		121,001	(58,025)
Proceeds from disposal of property, plant and equipment		5,673	768
Acquisition of subsidiary, net cash acquired		(83,780)	—
Purchase of property, plant and equipment		(77,165)	(86,615)
Net cash flow from investing activities		314,560	78,764
Cash Flows From Financing Activities			
Net change in debt securities		(488,565)	461,331
Issue of shares		3,557	—
Ordinary dividend paid		(104,016)	(260,049)
Preference dividend paid		(2,922)	(2,922)
Net cash flow from financing activities		(591,946)	198,360
Effect of exchange rate changes		(19,257)	(38,451)
Net (decrease)/increase in cash and cash equivalents		986,590	920,604
Cash and cash equivalents at beginning of year		1,034,253	113,649
Cash and cash equivalents at end of year	6	2,020,843	1,034,253

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

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements

1 General Information

The Issuer (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 & 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 September 12, 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 and 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 and 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%

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of freehold premises, available-for-sale financial assets, financial assets designated at fair value through profit or loss, financial liabilities at fair value through profit and loss and derivative financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

a) Standards, amendments and interpretations which are effective and have been adopted by the Group:

- IAS 24 (Revised) 'Related party disclosures' (effective from 1 January 2011). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. It provides a partial exemption from the disclosure requirements for government-related entities.

- IFRIC 14 'Prepayment of a minimum funding requirement' (Amendment) (effective 1 January 2011).
  The standard provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

- IFRS 7 'Disclosure amendments' (effective 1 July 2011). The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, when:

  - Financial assets are derecognised in their entirety, but the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets)

  - Financial assets are not derecognised in their entirety

- IAS 1 'Presentation of Items of Other Comprehensive Income (OCI) (effective 1 July 2012). The amendments to IAS 1 change the grouping of items presented in OCI. Items that would be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified.

b) Standards, amendments and interpretations which are effective but which are not relevant to the Group's operations:

The following standards, amendments and interpretations are effective for accounting periods beginning on or after January 1, 2011 but which are not relevant to the Group's operations:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective from 1 July 2011).

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

The following standards, amendments and interpretations are effective for accounting periods beginning on or after January 1, 2011 but have not been early adopted by the Group:

- IFRS 9 'Financial instruments part 1: Classification and measurement' (effective January 1, 2015). IFRS 9 was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Amendments to IFRS 9 'Mandatory Effective Date of IFRS 9 and Transition Disclosures', issued

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group: (continued)

in December 2011, moved the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 from January 1, 2013 to January 1, 2015. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

The Group is assessing the impact of this standard.

- IFRS 7 'Disclosures Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7' (effective January 1, 2013). These amendments require an entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set-off in accordance with IAS 32 'Financial Instruments: Presentation'. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with IAS 32.

- IFRS 10 'Consolidated Financial Statements' (effective January 1, 2013). The standard requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 'Consolidation and Separate Financial Statements' and SIC-12 'Consolidation – Special Purpose Entities'.

- IFRS 11 'Joint Arrangements' (effective January 1, 2013). This standard replaces IAS 31 'Interest in Joint Ventures'. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

- IFRS 12 'Disclosure of interest in Other Entities' (effective January 1, 2013). This standard requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- IFRS 13 'Fair Value Measurement' (effective January 1, 2013). IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS. Fair value under IFRS 13 is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an "exit price"). "Fair value" as used in IFRS 2 'Share-based Payments' and IAS 17 'Leases' is excluded from the scope of IFRS 13.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group: (continued)

- IAS 19 'Employee Benefits (Revised)' (effective January 1, 2013). The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The more significant changes include the following:

  - For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in OCI as they occur. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognised in OCI with no subsequent recycling to profit or loss.

  - Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information about the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

  - Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

  The distinction between short-term and other long-term employee benefits will be based on the expected timing of settlement rather than the employee's entitlement to the benefits.

- IFRS 1 'Government Loans – Amendments to IFRS 1' (effective January 1, 2013). The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This is the same relief as was given to existing preparers of IFRS financial statements.

- IAS 32 'Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32' (effective January 1, 2014). This requires that "a financial asset and a financial liability shall be offset ... when, and only when, an entity currently has a legally enforceable right to set-off the recognised amounts …" The amendments clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself.

2.2 Consolidation

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Bank and its wholly owned subsidiaries as outlined in Note 1. The financial statements of the consolidated subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous years.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.2 Consolidation (continued)

Subsidiaries are fully consolidated from the date on which effective control is transferred to the Group. They are de-consolidated from the date on which control ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective acquisition date or up to the effective date on which control ceases as appropriate.

(c) Business combinations and goodwill

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. A business combination is a transaction or other event in which the acquirer obtains control of one or more businesses. Under IFRS 3 a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to participants. A business generally consists of inputs and resulting outputs that are or will be used to generate revenue.

Business combinations are accounted for using the purchase method of accounting. The cost of the acquisition is the consideration given in exchange for control over the identifiable assets, liabilities and contingent liabilities of the acquired company. The consideration includes the cash paid plus the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group. Contingent consideration arrangements are included in the cost of acquisition at fair value. Directly attributable transaction costs are expensed in the current period and are reported in administrative expenses.

The acquired net assets, being the assets, liabilities and contingent liabilities, are initially recognised at fair value. Where the Group does not acquire 100% ownership of the acquired company, non-controlling interests are recorded as the proportion of the fair value of the acquired net assets attributable to the non-controlling interest. Goodwill is recorded as the surplus of the cost of acquisition over the Group's interest in the fair value of the acquired net assets. Any goodwill and fair value adjustments are recorded as assets and liabilities of the acquired company in the functional currency of that company. Goodwill is not amortised, but is assessed for possible impairment at the year end and is additionally tested annually for impairment.

Goodwill may also arise upon investments in associates, being the surplus of the cost of the investment over the Group's share of the fair value of the net identifiable assets. Such goodwill is recorded within investment in associates.

Changes in ownership interest in subsidiaries are accounted for as equity transactions if they occur after control has already been obtained and if they do not result in a loss of control.

(d) Transactions and non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interest are also recorded in equity.

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated equity as non-controlling interest. Profits or losses attributable to non-controlling interests are reported in the consolidated statement of comprehensive income as profit or loss attributable to non-controlling interests.

(e) Investment in joint ventures

A joint venture exists where the Group has a contractual arrangement with one or more parties to undertake activities through entities that are subject to joint control.

Investments in joint ventures are accounted for using the equity method of accounting. These investments are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of profits or losses.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.2 Consolidation (continued)

(f) Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses in associates are recognised in the consolidated income statement.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Trinidad & Tobago dollars, which is the Group's presentation currency. The exchange rate between the TT dollar and the US dollar as at the date of these statements was TTD6.3503=USD1.00 (2011: TTD6.3211=USD1.00), which represents the Group's mid-rate.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of security. Translation differences related to changes in the amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in equity. Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
(iii) all resulting exchange differences are recognised in other comprehensive income.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.3 Foreign currency translation (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are recognised in other comprehensive income. When a foreign operation is disposed of or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Derivative financial instruments

Derivative financial instruments including swaps are initially recognised in the consolidated statement of financial position at cost (including transaction costs) and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when negative.

The carrying values of the interest rate swap, which will vary in response to changes in market conditions, are recorded as assets or liabilities with the corresponding resultant charge or credit in the consolidated income statement.

2.5 Financial assets and financial liabilities

2.5.1 Financial assets

The Group classifies its financial assets in the following categories: financial assets designated as at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(i) those that the Group intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates at fair value through profit or loss;
(ii) those that the entity upon initial recognition designates as at fair value through profit or loss or as available-for-sale;
(iii) those for which the holder may not recover substantially all its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value - which is the cash consideration to originate or purchase the loan including transaction costs - and measured subsequently at amortised cost using the effective interest method. Loans and receivables are reported in the consolidated statement of financial position as loans and advances to banks or customers or as loan notes. Interest on loans is included in the consolidated income statement under interest income. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the consolidated income statement under impaired loss on loan and receivables net of recoveries.

(b) Available-for-sale financial assets

Available-for-sale financial assets are those intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held to maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value and subsequently carried at fair value with gains and losses being recognised in the consolidated statement of comprehensive income except for impairment losses and foreign exchange gains and losses, until the financial asset is de-recognised.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.5 Financial assets and financial liabilities (continued)

2.5.1 Financial assets (continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the consolidated income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement when the Group's right to receive payments is established.

(c) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets held for trading and financial assets designated by the Group as fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading.

The Group also designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot be subsequently changed. According to IAS 39, the fair value option is only applied when the following conditions are met:

(i) The application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
(ii) The financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis.

(d) Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity dates where management has the positive intention and the ability to hold to maturity, other than:

(i) those that the Group upon recognition designates at fair value through profit or loss;
(ii) those that the Group designates as available-for-sale;
(iii) those that meet the definition of loans and receivables.

Held to maturity investments are initially recognised at fair value including direct and incremental transaction costs and are measured subsequently at amortised cost, using the effective interest method.

2.5.2 Financial liabilities

The Group measures financial liabilities at amortised cost. Financial liabilities measured at amortised cost include deposits from banks or customers, bonds payables, other funding instruments and notes due to related parties.

2.5.3 Recognition and de-recognition of financial instruments

The Group uses trade date accounting for regular way contracts when recording financial assets transactions. Financial assets that are transferred to third parties but do not qualify for de-recognition are presented as assets pledged as collateral if the transferee has the right to sell or re-pledge them.

Financial assets are de-recognised when the contractual right to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.5 Financial assets and financial liabilities (continued)

2.5.4 Determination of fair value

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regular occurring market transactions on an arm's-length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at the year end.

The Group uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

2.6 Reclassification

The Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the available-for-sale category if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair values at the reclassification date. Fair value becomes the new cost or amortised cost as applicable and no reversals of fair value gains or losses recorded before reclassification date are made. Effective interest rates for financial assets reclassified to loans and receivables and held to maturity categories are determined at the reclassification date.

2.7 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

(i) Delinquency in contractual payments of principal or interest;
(ii) Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
(iii) Breach of loan covenants or conditions;
(iv) Initiation of bankruptcy proceedings;
(v) Deterioration of the borrower's competitive position;
(vi) Deterioration in the value of collateral; and
(vii) Downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three (3) months and twelve (12) months; in exceptional cases, longer periods are warranted.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.7 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based and to remove the effects of conditions on the historical period that do not currently exist. Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses to the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the amount of the reversal is recognised in the consolidated income statement in impairment loss on loans net of recoveries.

(b) Assets classified as available-for-sale

The Group assesses at the year-end whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.7 Impairment of financial assets (continued)

instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

(c) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been negotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10 Sale and repurchase agreements and lending of securities

Securities sold subject to sale and repurchase agreements (repos) are retained on the consolidated statement of financial position as investment securities and the counterparty liability is included in other funding instruments.

Securities purchased under agreements to resell (reverse repos) are recorded as loans to other banks or customers as appropriate.

The difference between sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective interest method.

2.11 Lease transactions

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

Leases in which a significant portion of the risks and methods of ownership are retained by another party, the lessor, are classified as operating leases. Leases of assets where the Bank has substantially all the risk and rewards of ownership are classified as finance leases.

(a) The Group as the lessee

The Group has entered into operating leases where the total payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the period has expired, any penalty payment made to the lessor is recognised as an expense in the period in which termination takes place.

When assets are held subject to a finance lease, an asset and liability is recognised in the consolidated statement of financial position at amounts equal at inception to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability so as to achieve a constant rate on the finance balance outstanding.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.11 Lease transactions (continued)

The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(b) The Group as the lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

To date, the Group has not entered into operating leases over the Group's assets.

2.12 Property, plant and equipment

Freehold premises are shown at fair value based on assessments performed by management or by independent valuators every three years, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less depreciation. The valuations of freehold premises are assessed when circumstances indicate there may be a material change in value.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of freehold premises are credited to fair value reserves in shareholders' equity. Decreases that affect previous increases of the same assets are charged against fair value reserves directly in equity; all other decreases are charged to the consolidated income statement. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Each year, the difference between depreciation based on the revalued carrying amount of the asset (depreciation charged to the consolidated income statement) and depreciation based on the asset's original cost is transferred from fair value reserve to retained earnings.

Leasehold improvements and equipment are recorded at cost less accumulated depreciation.

Depreciation and amortisation are computed on all assets except land.

The provision for depreciation and amortisation is computed at varying rates to allocate the cost of the assets to their residual value.

The following rates are used:

Buildings	2% straight line
Equipment and furniture	20% to 25% straight line
Computer equipment and motor vehicles	20% to 33.3% straight line
Leasehold improvements	Amortised over the life of the lease

The assets' useful lives are reviewed and adjusted if appropriate at each reporting date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.12 Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. When revalued assets are sold, the amounts included in fair value reserves are transferred to retained earnings.

2.13 Income tax

Current income tax is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised in the consolidated income statement for the period except to the extent it relates to items recognised directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The principal temporary differences arise from depreciation on property, plant and equipment, the defined benefit asset, tax losses carried forward, revaluation gains/losses on available-for-sale financial assets and the amortisation of zero coupon instruments.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the consolidated income statement together with the deferred gain or loss.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

(a) Pension plans

The Group operates a defined benefit plan, which is a pension plan that defines an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. This pension plan is funded by payments from employees and by the Group, taking account of the recommendations of independent qualified actuaries.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who value the plans annually. The liability recognised in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the date of the consolidated financial position less the fair value of the plan assets together with adjustments for unrecognised actuarial gains and losses and past

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.14 Employee benefits (continued)

(a) Pension plans (continued)

service costs. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of the plan assets or 10% of the defined benefit obligations are charged or credited to income over the employees' expected average remaining working life. Past service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

(b) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.15 Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise of cash balances on hand, deposits with other banks and short-term highly liquid investments with maturities of three months or less when purchased.

2.16 Interest income and expense

Interest income and interest expense are recognised in the consolidated income statement for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest income includes coupons earned on fixed income investments, loans and accrued discount and premium on treasury bills and other discounted instruments. When loans become doubtful of collection, they are written down to their recoverable amounts.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options), but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.17 Fee and commission income

Fees and commissions are recognised on an accrual basis, when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct cost) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained part at the same effective interest rate as the other participants. Commissions and fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts usually on a time apportionate basis.

Asset management fees related to investment funds are recognised rateably over the period the service is provided and accrued in accordance with pre-approved fee scales. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time. Performance linked fees or fee components are recognised when the performance criteria are fulfilled.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.18 Dividend income

Dividends are recognised in the consolidated income statement when the entity's right to receive payment is established.

2.19 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, expenditure that enhances or extends the benefits of computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives but not exceeding a period of three years.

2.20 Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between proceeds net of transactions costs and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

2.21 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as off balance sheet transactions and are disclosed as contingent liabilities and commitments.

2.22 Dividend distribution

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Dividends for the year, which are declared after the year end, are disclosed in the subsequent events note where applicable.

2.23 Preference shares

Preference shares on which dividends are declared at the discretion of the directors are classified as equity.

2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2.25 Intangible assets

Intangible assets comprise separately identifiable items arising from business combinations, computer software licenses and other intangible assets. Intangible assets are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Intangible assets with a definite useful life are amortised using the straight line method over their estimated useful economic life, generally not exceeding 20 years. Intangible assets with an indefinite useful life are not amortised. At each date of the consolidated statement of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

2 Summary Of Significant Accounting Policies (continued)

2.25 Intangible assets (continued)

The Group chooses to use the cost model for the measurement after recognition.

Intangible assets with indefinite useful life are tested annually for impairment and whenever there is an indication that the asset may be impaired.

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Other intangible assets

Other intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributes to the assets will flow from their use. The value of intangible assets which are acquired in a business combination is generally determined using income approach methodologies such as the discounted cash flow method.

Other intangible assets are stated at cost less amortisation and provisions for impairment, if any, plus reversals of impairment, if any. They are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flow.

2.26 Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group (Note 3.4).

2.27 Segment reporting

The Group's segmental reporting is based on the following: Retail Banking, Corporate Banking, Investment Banking, Asset Management and Group functions.

3 Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

3.1 Credit risk

Credit exposures arise principally in lending activities that lead to loans and advances and in investment activities that bring debt securities and other bills into the Group's asset portfolio. Credit risk also occurs in off balance sheet financial instruments such as loan commitments. This risk relates to the possibility that a counter party will cause a financial loss to the Group by failing to discharge an obligation. All the Group's lending and investment activities are conducted with various counter parties and it is in pursuing these activities that the Group becomes exposed to credit risk. It is expected that these areas of business will continue to be principal ones for the Group in the future and with loans and advances currently comprising a significant portion of the Group's assets and being responsible for a substantial portion of the revenue generated, it is anticipated that the Group will continue to be exposed to credit risk well into the future. The management of credit risk is therefore of utmost importance to the Group and an appropriate organisational structure has been put in place to ensure that this function is effectively discharged for the Group's business; management therefore carefully manages its exposure to credit risk. Exposure to credit risk is managed through appropriate credit policies, procedures, practices and audit functions, together with approved limits. Exposure is also managed by obtaining collateral and corporate and personal guarantees.

3.1.1 Credit risk management

In its management of credit risks, the Group has established an organisational structure which supports the lending philosophy of the Group. This structure comprises the Board of Directors, the Board Credit Committee (BCC), Senior Management Enterprise-wide Risk Committee (SMERC), the Chief Risk Officer (CRO), the Credit Administration Department and the Internal Audit Department. The Board of Directors maintains general oversight to ensure that policies and procedures are consistent with the strategic direction and credit philosophy of the Group and that they serve to bring the required level of protection over assets that are exposed to credit risks. To facilitate day to day decision making and timely implementation of decisions, the Board has delegated authority for specific areas to specific committees and/or officers with an appropriate reporting system to the Board. The BCC focuses primarily on credit risk appetite and in so doing sanctions amendments to credit policies, delegation of lending authority to senior management and credit requests exceeding the authority of management. The SMERC together with the CRO monitors the effectiveness of credit procedures and policies and may direct changes to strategies to improve the effectiveness of policies. The major focus of the Credit Administration Department is to formulate credit policies, monitor compliance with them and on a continuous basis to assess their relevance to the changing business environment. Most of these policies are established and communicated through the Group's written Credit Policy Manual. This document sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Major areas of focus are: General Credit Criteria; Credit Risk Rating; Controls Risk Mitigants over the Credit Portfolio and Credit Concentration among others.

3.1.2 Credit risk measurement

As part of the on-going process of prudent risk management, the Group's policy is to risk rate credit facilities at the time of approval and on a regular basis. The rating process partitions the portfolio into un-criticised (higher quality loan assets) and criticised sections (the lower quality/impaired assets evaluated under the Credit Classification System). The Credit Classification System is in place to assign risk indicators to credits in the criticised portfolio and engages the traditional categories utilised by regulatory authorities.

3.1.3 Credit classification system

(a) Loans to customers

The Group's Credit Classification System is outlined as follows:

Criticised Loans

Rating	**Description**
Pass	Standard
SM	Special mention
SS	Substandard
D	Doubtful
L	Loss

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.3 Credit classification system (continued)

(b) Debt securities and other bills

The Group utilises external ratings such as international credit rating agencies or their equivalent in managing credit risk exposures for debt securities and other bills.

(c) Other loans and receivables

In measuring credit risk of debt securities and receivables at a counterparty level, the Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. Securities of the Group are segmented into three rating classes or grades. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary.

Group's internal ratings scale and mapping of external ratings

Group's rating	Description of the grade	External rating: Standard & Poor's equivalent
A, B+	Investment grade	AAA, AA, A, BBB
B, C	Speculative grade	BB, B, CCC, C
D	Default	D or SD

The ratings of the major rating agency shown in the table above are mapped to our rating classes based on the long-term average default rates for each external grade. The Group uses the external ratings where available to benchmark our internal credit risk assessment.

3.1.4 Risk limit control and mitigation policy

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, industry and country segments. The Group monitors its concentration of credit exposure so that no single borrower or industry default will have a material impact on the Group. These limits are implemented and monitored by the Credit Administration Department via the stipulations of the Group Credit Policy Manual.

(a) Single borrower and borrower group exposure limits

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a fraction of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) Industry exposure limits

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose. The model utilises a scale incorporating scores of 1 to 8 with 1 being the least risky. These have been consolidated into four (4) bands of exposure limits which have been set in relation to the total credit portfolio with a smaller limit being assigned to the more risky industries.

(c) Country exposure limits

Exposure limits have been established for selected countries which are considered to be within the Group's off-shore catchment area and/or target market. Five risk categories have been developed and the selected countries have been assigned to these categories based either on ratings issued by acceptable rating agencies or the Group's own internal assessment of the economic and political stability of the target. Maximum cross-border exposure has been limited to a pre-determined portion of total assets and this amount is allocated to the various risk categories with a larger share being allocated to the more highly rated categories.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.4 Risk limit control and mitigation policy (continued)

(d) Collateral

The principal collateral types for loans and advances are:
- Cash deposits
- Mortgages over residential properties
- Charges over business assets such as premises and accounts receivable
- Charges over financial instruments such as debt securities and equities
- Government guarantees

Liquidity Support Agreement

The Group does not take a second or inferior collateral position to any other lender on advances outside the lending value calculated as per the Group's stipulated guidelines. The Group recognises that the value of items held as collateral may diminish over time resulting in loans being less protected than initially intended. To mitigate the effect of this, margins are applied to security items in evaluating coverage. The Group assesses the collateral value of credits at the point of inception and monitors the market value of collateral as well as the need for additional collateral during periodic review of loan accounts in arrears as per the Credit Policy.

It was agreed inter alia, in the Liquidity Support Agreement dated May 15, 2009, made between the Government of the Republic of Trinidad and Tobago (GORTT), the Central Bank of Trinidad and Tobago and the First Citizens Bank Limited (the Bank), that the GORTT would provide certain assurances to the Bank so that the acquisition of the shares of Caribbean Money Market Brokers Limited, now First Citizens Investment Services Limited (FCIS), would not reduce the capital adequacy ratio of the Bank below 10% for the five years from the date of completion of the said acquisition of the shares.

The terms of the agreement under which the Bank acquired FCIS included certain financial assurances by the GORTT that provide for the indemnification of the Bank against various claims, losses or liabilities if incurred by FCIS within a stipulated period of time after the date of acquisition in relation to obligations existing or default on assets owned by FCIS at the date of the acquisition as set out in the provisions of the Liquidity Support Agreement.

All reasonable claims by the Bank in respect of such losses are expected to be settled once the Bank has made all reasonable efforts to recover or resist such claims, losses or liabilities.

Losses which are covered under the Liquidity Support Agreement include the following:

- Losses in respect of taxes and employee matters, with sixty days after the expiration of the relevant statute of limitation;

- Losses in respect of defect of title to shares, due authorisation of the sale of the shares, enforceability of the share sale agreement, corporate good standing of FCIS and the Group, Compliance with laws, possession of requisite permits and consents, breaches of any of the material provisions of existing contracts between FCIS and the Group and third parties other than employee contracts and ownership of underlying assets of FCIS and the Group. The limitation of such claims is 20 years after the date of completion of the share transfer to the Bank;

- Losses in respect of balances due from CL Financial Limited and its affiliates which include capitalised interest accruing from the date the Company was acquired by the Bank to the greater of the maturity date of the obligation or 6 years from the date of completion of the share transfer to the Bank; and

- Any other losses other than those set out above arising from the purchase of the shares. The limitation of such claims is 2 years.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.4 Risk limit control and mitigation policy (continued)

(e) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

3.1.5 Impairment and provisioning policies

The Group impairment provision policy is covered in detail in Note 2.7.

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the year end on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts of cash flows for that individual account.

Collectively assessed impairment allowances are provided for: (i) portfolios of homogenous assets that are individually below materiality thresholds; and (ii) losses that have been incurred but have not yet been identified, by using the available historical experience, experienced judgment and statistical techniques.

3.1.6 Maximum exposure to credit risk before collateral held or other credit enhancement

	Gross maximum exposure 2012 $'000	Gross maximum exposure 2011 $'000
Credit risk exposures relating to financial assets carried on the Group's consolidated statement of financial position are as follows:		
Cash and bank balances	2,449,484	1,600,743
Statutory Deposit with Central Bank	4,446,808	4,071,727
Financial assets		
Available-for-sale	9,222,587	8,866,173
Held to maturity	1,633,245	1,819,039
Loans to customers	10,610,138	9,020,486
Other loans and receivable	1,778,310	1,870,039
Loan notes	2,607,625	2,677,187
Finance leases	3,891	4,756
Interest receivable	110,262	86,035
Receivable from GORTT	272,363	274,970
	33,134,713	30,716,749
Credit risk exposures relating to off balance sheet financial assets are as follows:		
Credit commitments	993,674	425,594
Total Credit Risk Exposure	34,125,932	30,715,869

The above table represents a worst case scenario of credit risk exposure to the Group without taking account of any collateral held or other credit enhancements attached.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.7 Loans to customers and other financial assets

Loans to customers and other financial assets are summarised as follows:

	30 September 2012					
	Loans to customers $'000	**Other loans & receivables $'000**	**Financial assets available for sale $'000**	**Held to maturity $'000**	**Loan notes $'000**	**Finance leases $'000**
Neither past due nor impaired	7,143,172	1,701,716	9,105,657	1,633,245	2,607,625	3,504
Past due but not impaired	2,990,817	—	52,674	—	—	810
Individually impaired	485,658	76,594	64,256	—	—	—
Gross	10,619,647	1,778,310	9,222,587	1,633,245	2,607,625	4,314
Unearned interest	(9,509)	—	—	—	—	(423)
Less: Allowance for impairment	(288,473)	(62,331)	(39,313)	—	—	—
Net	10,321,665	1,715,979	9,183,274	1,633,245	2,607,625	3,891

	30 September 2011					
	Loans to customers $'000	**Other loans & receivables $'000**	**Financial assets available for sale $'000**	**Held to maturity $'000**	**Loan notes $'000**	**Finance leases $'000**
Neither past due nor impaired	6,476,846	1,457,361	8,699,978	1,819,039	2,677,187	5,512
Past due but not impaired	1,963,666	366,900	140,714	—	—	25
Individually impaired	610,734	45,778	25,250	—	—	—
Gross	9,051,246	1,870,039	8,865,942	1,819,039	2,677,187	5,537
Unearned interest	(30,760)	—	—	—	—	(781)
Less: Allowance for impairment	(225,486)	(33,420)	(7,838)	—	—	—
Less claims on liquidity support	—	—	(109,062)	—	—	—
Net	8,795,000	1,836,619	8,749,042	1,819,039	2,677,187	4,756

The terms of the agreement under which the Group acquired First Citizens Investment Services Limited (FCISL) included an indemnification provided by the Government of the Republic of Trinidad and Tobago against various claims, losses or liabilities incurred by FCISL after the date of acquisition in relation to assets owned by FCISL at the date of the said acquisition. (See Note 3.1.4 (d))

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.7 Loans to customers and other financial assets (continued)

(a) Neither past due nor impaired

The credit quality of the portfolio of loans to customers and other financial assets that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Group.

i. Loans to customers

	30 September 2012				
	Loans individual $'000	Loans corporate $'000	Total loans $'000	Loan note $'000	Finance leases $'000
Standard	2,533,070	4,580,888	7,113,958	2,607,625	3,504
Special mention	4,079	25,135	29,214	—	—
	2,537,149	4,606,023	7,143,172	2,607,625	3,504

	30 September 2011				
	Loans individual $'000	Loans corporate $'000	Total loans $'000	Loan note $'000	Finance leases $'000
Standard	1,688,723	4,788,113	6,476,836	2,677,187	5,512
Special mention	—	—	—	—	—
	1,688,723	4,788,113	6,476,836	2,677,187	5,512

ii. Other loans and receivables

	30 September 2012			30 September 2011		
	Individual $'000	Corporate $'000	Total loans $'000	Individual $'000	Corporate $'000	Total loans $'000
Investment grade	16,919	824,424	841,343	537	511,501	512,038
Speculative grade	3,391	856,982	860,373	23,781	921,542	945,323
	20,310	1,681,406	1,701,716	24,318	1,433,043	1,457,361

The composition of the portfolio of loans to customers that were neither past due nor impaired on an individual basis is illustrated below by loan type and borrower categorisation. All facilities are inclusive of unearned interest.

	30 September 2012		
	Individual (retail customers) $'000	Corporate $'000	Total $'000
Instalment loans	601,764	5,978	607,742
Demand loans	84,746	4,006,826	4,091,572
Overdrafts	663	65,418	66,081
Credit cards	337,746	—	337,746
Mortgages	1,512,233	527,798	2,040,031
Loans to customers	2,537,152	4,606,020	7,143,172
Impairment allowance	(37,882)	(33,417)	(71,299)
Loans net of impairment	2,499,270	4,572,603	7,071,873

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.7 Loans to customers and other financial assets (continued)

(a) Neither past due nor impaired (continued)

ii. Other loans and receivable

	30 September 2011		
	Individual (retail customers) $'000	**Corporate $'000**	**Total $'000**
Instalment loans	591,668	—	591,668
Demand loans	87,143	4,399,200	4,486,343
Overdrafts	5,579	98,247	103,826
Credit cards	238,250	—	238,250
Mortgages	766,093	290,666	1,056,759
Loans to customers	1,688,733	4,788,113	6,476,846
Impairment allowance	(30,252)	(33,322)	(63,574)
Loans net of impairment	1,658,481	4,754,791	6,413,272

(b) Past due but not impaired

Loans to customers less than 90 days past due and 180 days for mortgage facilities are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans to customers and other financial assets that were past due but not impaired are as follows:

30 September 2012	**Up to 30 days $'000**	**30 to 60 days $'000**	**60 to 90 days $'000**	**>90 days $'000**	**Total $'000**
Individual (retail customers)					
Instalment loans	179,414	13,388	2,915	—	195,717
Demand loans	59,462	16,069	880	—	76,411
Overdrafts	14,618	1,312	107	—	16,037
Credit cards	3,464	5,464	577	—	9,505
Mortgages	571,941	78,218	26,740	2,754	679,653
Sub-total	828,899	114,451	31,219	2,754	977,323
Impairment allowance	(11,099)	(1,461)	(244)	(704)	(13,507)
Corporate					
Large corporate customers	1,231,384	22,930	10,438	—	1,264,752
Mortgages	688,458	50,965	2,395	6,926	748,744
Sub-total	1,919,842	73,895	12,833	6,926	2,013,496
Impairment allowance	(8,287)	(271)	(64)	(11)	(8,633)
Total Loans To Customers	2,748,741	188,346	44,052	9,680	2,990,819
Available-for-sale financial assets	52,674	—	—	—	52,674
Other loans and receivables	—	—	—	—	—
Finance lease	810	—	—	—	810
Fair value of collateral					
Individual (retail customers)	1,228,369	122,437	34,537	3,862	1,389,205
Corporate	1,866,012	967,893	25,860	8,050	2,867,815

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.7 Loans to customers and other financial assets (continued)

(b) Past due but not impaired (continued)

30 September 2011	Up to 30 days $'000	30 to 60 days $'000	60 to 90 days $'000	>90 days $'000	Total $'000
Individual (retail customers)					
Instalment loans	137,368	13,281	3,301	12	153,962
Demand loans	73,594	16,487	1,316	1,826	93,223
Overdrafts	13,555	405	176	—	14,136
Credit cards	—	5,530	—	—	5,530
Mortgages	451,437	20,114	5,546	3,828	480,925
Sub-total	675,954	55,817	10,339	5,666	747,776
Impairment allowance	(8,398)	(1,032)	(155)	(63)	(9,648)
Corporate					
Large corporate customers	598,363	49,986	42,155	—	690,504
Mortgages	502,485	21,816	1,085	—	525,386
Sub-total	1,100,848	71,802	43,240	—	1,215,890
Impairment allowance	(4,212)	(321)	(244)	—	(4,777)
Total Loans To Customers	1,776,802	127,619	53,579	5,666	1,963,666
Available-for-sale financial assets	37,957	—	—	102,757	140,714
Other loans and receivables	—	—	—	366,900	366,900
Finance lease	25	—	—	—	25
Fair value of collateral					
Individual (retail customers)	2,096,209	51,665	8,846	6,059	2,162,779
Corporate	1,791,816	45,024	1,577	—	1,838,417

(c) Individually impaired

	Individual (retail customers)					Corporate		Total
	Instalment $'000	Demand loans $'000	Overdrafts $'000	Credit cards $'000	Mortgages $'000	Large corporate customers $'000	Mortgages $'000	$'000
30 September 2012								
Loans to customers	27,257	47,417	742	17,168	50,340	326,448	18,286	487,658
Impairment allowance	(26,527)	(19,318)	(740)	(10,869)	(17,055)	(104,669)	(15,857)	(195,035)
Fair value of collateral	11,659	122,732	150	—	56,937	530,144	7,857	729,479
Available-for-sale	—	—	—	—	—	64,256	—	64,256
Impairment allowance	—	—	—	—	—	(39,313)	—	(39,313)
Other loans and receivables	22,409	—	—	—	—	54,185	—	76,594
Impairment allowance	(9,138)	—	—	—	—	(53,193)	—	(62,331)
Fair value of collateral	13,271	—	—	—	—	992	—	14,263

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.7 Loans to customers and financial assets (continued)

(c) Individually impaired (continued)

	Individual (retail customers)					Corporate		Total
	Instalment $'000	Demand loans $'000	Overdrafts $'000	Credit cards $'000	Mortgages $'000	Large corporate customers $'000	Mortgages $'000	$'000
30 September 2011								
Loans to customers	27,342	8,442	1,037	13,088	7,942	532,053	20,830	610,734
Impairment allowance	(23,145)	(4,029)	(602)	(9,170)	(1,859)	(103,351)	(5,331)	(147,487)
Fair value of collateral	15,584	9,281	280	—	15,090	547,443	31,828	619,506
Available-for-sale	—	—	—	—	—	—	25,250	25,250
Impairment allowance	—	—	—	—	—	—	(7,838)	(7,838)
Other loans and receivables	22,985	—	—	—	—	22,793	—	45,778
Impairment allowance	(11,530)	—	—	—	—	(21,890)	—	(33,420)
Fair value of collateral	6,499	—	—	—	—	813	—	7,312

Upon initial recognition of loans to customers, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In the subsequent periods, the fair value is updated by reference to market price or indices of similar assets.

(d) Loans to customers renegotiated

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payment. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans. In some cases, restructuring results in the assets continuing to be impaired but in a number of cases restructuring is geared to facilitate a correction of the root cause of impairment which eventually improves collectability of the assets.

	2012 $'000	2011 $'000
Renegotiated loans and advances to customers		
Continuing to be impaired after restructuring	—	—
Non-impaired after restructuring—would otherwise have been impaired	—	—
Non-impaired after restructuring—would otherwise not have been impaired	83,055	739,782
Total	83,055	739,782

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.1 Credit risk (continued)

3.1.8 Credit quality of available-for-sale and held to maturity securities

The table below represents an analysis of available-for-sale and held to maturity securities, by internal and equivalent rating agency designation.

S&P

September 30, 2012	**Other loans & receivables $'000**	**Available-for-sale securities $'000**	**Held to maturity $'000**
A- to AAA	803,368	6,612,388	584,939
BBB- to BBB+	209,648	1,050,505	274,245
Lower than BBB-	688,520	1,489,036	774,061
Unrated	14,443	31,345	—
	1,715,979	9,183,274	1,633,245
September 30, 2011			
A- to AAA	473,776	5,729,427	599,608
BBB- to BBB+	120	1,490,167	877,665
Lower than BBB-	1,316,945	1,328,820	341,766
Unrated	45,778	200,628	—
	1,836,619	8,749,042	1,819,039

3.1.9 Repossessed collateral

The Group does not assume title of assets held as collateral, and as a result, they are not included in the consolidated statement of financial position.

3.1.10 Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Group's main credit exposure as categorised by industry sectors of counter parties.

	2012 Gross maximum exposure $'000	**2011 Gross maximum exposure $'000**
Loans and receivables:		
Consumer	1,545,161	1,253,719
Agriculture	2,795	8,107
Petroleum	591,634	512,966
Manufacturing	147,498	334,906
Construction	4,269,622	3,365,205
Distribution	181,621	137,793
Hotels and guest houses	376,936	261,377
Transport, storage and communications	660,441	280,148
Finance, insurance and real estate	5,507,930	7,126,015
Other business services	762,860	708,230
Personal services	12,953	79,408
Real estate mortgages	3,452,319	2,091,843
Government related	8,259,715	7,947,675
Finance leases	3,891	4,756
Interest receivable	110,262	86,035
	25,885,638	24,198,182

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.2 Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are measured separately by the Credit and Risk Management department who submit reports to the Senior Management Enterprise Risk Committee on a regular basis. Additionally, on a monthly basis, the Market Risk Committee reviews and approves the yield curves used to value all investment securities, derivatives and trading liabilities.

Trading portfolios include those portfolios arising from market-making transactions where the Group acts as a principal with clients or with the market. Trading portfolios are those positions entered into primarily to take advantage of market movements to generate capital gains.

Non-trading portfolios primarily arise from the interest-rate management of the Group's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of interest rate, foreign exchange and equity risks arising from the Group's financial assets available-for-sale.

3.2.1 Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. It is the policy of the Group not to engage in speculative foreign exchange activities, since its primary focus is to supply foreign currency to customers at a profit with the USD dominating trading. However, as supply usually lags behind customer demand, the Group may find itself in an overbought or oversold position.

The Group's strategy of managing this risk is to buy low and sell high; establish relationships with corporate foreign exchange earners; limit foreign exchange exposure; avoid speculation with an aim to keep a balanced position; and match foreign currency denominated assets with foreign currency denominated liabilities. The Group does not currently engage in any hedging activities to mitigate currency risk.

Foreign currency exposure for financial assets, financial liabilities and off balance sheet items

As at 30 September 2012	TTD $'000	USD $'000	Other $'000	Total $'000
FINANCIAL ASSETS				
Cash and due from other banks	318,086	1,380,039	751,359	2,449,484
Statutory reserve	4,373,913	—	72,895	4,446,808
Financial assets:				
- Available-for-sale	5,662,585	3,053,472	499,796	9,215,853
- Held to maturity	526,758	250,501	855,986	1,633,245
- Other loans and receivables	200,804	1,350,791	164,384	1,715,979
- Fair value through profit or loss	2,612	78	—	2,690
- Loans and receivables less allowances for losses:				
Loans to customers	7,767,626	1,371,716	1,182,323	10,321,665
Loan notes	1,707,816	899,809	—	2,607,625
Other assets	409,856	110,318	58,143	578,317
TOTAL FINANCIAL ASSETS	**20,970,056**	**8,416,724**	**3,584,886**	**32,971,666**
FINANCIAL LIABILITIES				
Customers' deposits	13,823,003	3,334,436	1,737,146	18,894,585
Other funding instruments	1,735,116	3,052,269	1,251,462	6,038,847
Due to other banks	—	6,704	56,547	63,251
Bonds payable	1,406,550	1,041,808	—	2,448,358
Creditors and accruals	321,694	1,115	85,414	408,223
TOTAL FINANCIAL LIABILITIES	**17,286,363**	**7,436,332**	**3,130,569**	**27,853,264**
Net on balance sheet position	3,683,693	980,392	454,317	5,118,402
Off balance sheet items	182,698	516	2,412	185,626
Credit commitments	406,500	404,177	182,997	993,674

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.2 Market risk (continued)

3.2.1 Currency risk (continued)

As at 30 September 2011	TTD $'000	USD $'000	Other $'000	Total $'000
FINANCIAL ASSETS				
Cash and due from other banks	527,602	711,881	361,260	1,600,743
Financial assets:				
- Available-for-sale	4,971,796	3,353,109	462,935	8,787,840
- Held to maturity	526,600	386,855	905,584	1,819,039
- Other loans and receivables	583,896	1,168,405	84,318	1,836,619
- Fair value through profit or loss	5,276	78	—	5,354
- Loans and receivables less allowances for losses:				
Loans to customers	7,068,689	1,726,311	—	8,795,000
Loan notes	1,781,515	895,672	—	2,677,187
Other assets	565,276	11,217	1,699	578,192
TOTAL FINANCIAL ASSETS	**16,030,650**	**8,253,528**	**1,815,796**	**26,099,974**
FINANCIAL LIABILITIES				
Customers' deposits	12,901,688	2,918,795	226,862	16,047,345
Other funding instruments	2,372,525	3,012,917	1,256,227	6,641,669
Due to other banks	—	58,928	21,171	80,099
Bonds payable	1,406,550	1,530,065	—	2,936,615
Creditors and accruals	189,509	3,273	3,337	196,119
TOTAL FINANCIAL LIABILITIES	**16,870,272**	**7,523,978**	**1,507,597**	**25,901,847**
Net on statement of financial position	(839,622)	729,550	308,199	198,127
Off balance sheet items	149,570	624	—	150,194
Credit commitments	232,800	192,794	—	425,594

Included in the "Other" category are assets and liabilities held in UK pound sterling, Canadian dollars, Euros, Eastern Caribbean Dollars and Yen.

If the TTD appreciates by 1% against the USD, the profit would increase by $9.7 million (2011: $3.3 million). One percent was considered a reasonable possible shift since the USD rate has not changed by more than 1% year-on-year over the past 3 years.

3.2.2 Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and future cash flows. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of the changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. The Group takes on exposure to the effects of fluctuations in the prevailing level of market interest rates on both its fair value and cash flow risks.

The Group's objective in the management of its interest rate risk is to reduce the sensitivity of its earnings and overall portfolio value to fluctuations in the interest rate.

The strategy employed to achieve this involves the active pricing of deposit and loan products, increasing market share of loans and funding, diversifying portfolios, changing the mix of products in accordance with market trends and reducing funding mismatch through long-term instruments.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk (continued)

The table below summarises the Group's exposure to interest rate risk. The assets and liabilities are categorised by the contractual date.

As at 30 September 2012	Up to 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial Assets							
Cash and due from other banks	1,950,834	—	223,358	—	—	275,292	2,449,484
Statutory deposits with Central Bank	272,145	790,068	522,980	—	—	2,861,615	4,446,808
Financial assets:							
- Available-for-sale	129,826	135,407	1,449,523	1,934,948	5,527,168	38,981	9,215,853
- Other loans and receivables	696,808	50,939	479,428	407,934	80,870	—	1,715,979
- Held to maturity	65,299	64,323	41,210	335,719	1,126,694	—	1,633,245
- Fair value through profit or loss	2,690	—	—	—	—	—	2,690
Loan to customers and finance leases	1,256,559	758,601	1,847,611	4,347,581	2,403,677	—	10,614,029
Loan loss provision	—	—	—	—	—	(288,473)	(288,473)
Loan notes	1,838,875	—	73,700	485,306	209,744	—	2,607,625
Total Financial Assets	**6,213,036**	**1,799,338**	**4,637,810**	**7,511,488**	**9,348,153**	**2,887,415**	**32,397,240**
Financial Liabilities							
Due to other banks	—	—	56,538	—	—	6,713	63,251
Customers' deposits	14,976,685	1,253,625	1,843,575	450,425	153	370,122	18,894,585
Other funding instruments	861,183	2,244,042	2,706,569	223,058	3,995	—	6,038,847
Bonds payable	—	—	—	2,448,538	—	—	2,448,358
Notes due to parent company	—	—	—	—	—	58,000	58,000
Total Financial Liabilities	**15,837,868**	**3,497,667**	**4,606,682**	**3,121,841**	**4,148**	**434,835**	**27,503,041**
Interest Sensitivity Gap	**(9,624,832)**	**(1,698,329)**	**31,128**	**4,389,647**	**9,344,005**		

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk (continued)

As at 30 September 2011	Up to 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial Assets							
Cash and due from other banks	911,533	632	512,112	—	—	176,466	1,600,743
Statutory deposits with Central Bank	243,748	781,792	325,825	—	—	2,720,362	4,071,727
Financial assets:							
- Available-for-sale	27,368	116,401	1,277,942	2,073,612	5,234,912	57,605	8,787,840
- Other loans and receivables	701,289	387,131	320,302	427,897	—	—	1,836,619
- Held to maturity	31,676	95,967	192,893	334,723	1,163,780	—	1,819,039
- Fair value through profit or loss	5,354	—	—	—	—	—	5,354
Loan to customers and finance leases	803,584	849,103	1,607,476	3,977,489	1,787,590	—	9,025,242
Loan loss provision	—	—	—	—	—	(225,486)	(225,486)
Loan notes	1,866,491	—	73,700	294,786	442,210	—	2,677,187
Other assets	—	—	68,742	206,228	—	303,222	578,192
Total Financial Assets	**4,591,043**	**2,231,026**	**4,378,992**	**7,314,735**	**8,628,492**	**3,032,169**	**30,176,457**
Financial Liabilities							
Due to other banks	—	21,949	52,873	—	—	5,277	80,099
Customers' deposits	12,567,872	1,170,530	2,186,655	121,981	308	—	16,047,346
Other funding instrumentst	1,095,110	2,610,935	2,502,609	377,862	6,628	48,525	6,641,669
Bonds payable	—	—	488,565	906,551	1,529,979	11,520	2,936,615
Notes due to parent company	—	—	—	—	—	58,000	58,000
Total Financial Liabilities	**13,662,982**	**3,803,414**	**5,230,702**	**1,406,394**	**1,536,915**	**123,322**	**25,763,729**
Interest Sensitivity Gap	**(9,071,939)**	**(1,572,388)**	**(851,710)**	**5,908,341**	**7,091,577**		

Interest rate risk management focuses on potential changes in net interest income resulting from changes in interest rates, product spreads and mismatches in the re-pricing between interest rate sensitive assets and liabilities.

A 100 basis point increase in interest rates will cause an increase in profit of $7.2 million (2011: $3.4 million).

3.2.3 Other price risk

Other price risk arises due to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is affected by changing prices of equity instruments mainly classified as available-for-sale securities with fair value movements recognised in shareholders' equity. Management has determined that the impact of the price risk on equity instruments classified as available-for-sale is immaterial at the end of both periods reported.

3.3 Liquidity risk

The liquidity risk is the risk that the Group will be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments when they fall due under normal and stress circumstances and arises from fluctuation in cash flows. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits and other funding instruments, loan draw downs, guarantees and from margin and other calls on cash settled derivatives. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.3 Liquidity risk (continued)

Liquidity risk management process

The Group's liquidity management process is carried out by the Treasury Department and monitored by the Group's Asset and Liability Commitee (ALCO). The Group's liquidity management framework is designed to ensure that there are adequate reserves of cash and other liquid securities to satisfy current and prospective commitments arising from either on balance sheet or off balance sheet liabilities. The Group relies on a broad range of funding sources and applies prudent limits to avoid undue concentration. Current and projected cash flows are monitored, together with diversification of funding and contingency planning, and ensuring that funding disturbances are minimised. The Group manages liquidity risk using both expected and contractual cash flows, by preserving a large and diversified base of core deposits from retail and commercial customers, by maintaining ongoing access to wholesale funding and by maintaining a liquid pool of marketable securities dedicated to mitigating liquidity risk as a contingency measure. Fallback techniques include access to the local interbank and institutional markets and stand-by lines of credit with external parties and the ability to close out or liquidate market positions.

3.3.1 Financial assets and liabilities

The table below analyses financial assets and liabilities of the Group into relevant maturity groupings based on the remaining period at the year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 30 September 2012	Up to 1 month $'000	1 to 3 months $'000	3 to12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Financial Liabilities						
Due to banks	6,713	—	58,749	—	—	65,462
Customers' deposits	15,357,830	1,264,988	1,864,654	471,739	313	18,959,524
Other funding instruments	861,894	2,256,887	2,740,909	232,539	4,286	6,096,515
Bonds payable	21,183	—	143,544	2,979,322	—	3,144,049
Notes due to parent company	58,000	—	—	—	—	58,000
Total Financial Liabilities	16,305,620	3,521,875	4,807,856	3,683,600	4,599	28,323,550
Total Financial Assets	6,304,003	1,867,956	5,621,349	10,711,809	15,449,842	39,954,959
Liquidity Gap	(10,001,617)	(1,653,919)	813,493	7,028,209	15,445,243	11,631,409
As at 30 September 2011						
Financial Liabilities						
Due to banks	5,277	21,373	53,449	—	—	80,099
Customers' deposits	12,573,491	1,182,763	2,215,002	125,736	310	16,097,302
Other funding instruments	1,129,197	2,854,952	2,451,530	394,300	7,350	6,837,329
Bonds payable	21,183	—	641,345	2,638,941	467,003	3,768,472
Notes due to parent company	58,000	—	—	—	—	58,000
Total Financial Liabilities	13,787,148	4,059,088	5,361,326	3,158,977	474,663	26,841,202
Total Financial Assets	4,816,125	2,235,409	5,000,431	10,023,711	13,939,016	36,014,692
Liquidity Gap	(8,971,023)	(1,823,679)	(360,895)	6,864,734	13,464,353	(9,173,490)

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.3 Liquidity risk (continued)

3.3.2 Assets held for managing liquidity risk

The Group holds a diversified portfolio of cash and high-quality, highly-liquid securities to support payment obligations and contingent funding in a stressed market environment. The Group's assets held for managing liquidity risk comprise:

- Cash and balances with central banks;
- Certificates of Deposit;
- Government Bonds and other securities that are readily acceptable in repurchase agreements with central banks; and
- Secondary sources of liquidity in the form of highly liquid instruments in the Group's investment portfolios.

3.3.3 Off-balance sheet items

The table below analyses the contingent liabilities and commitments of the Group into relevant maturity groupings based on the remaining period at the year end to the contractual maturity date.

As at 30 September 2012	Up to 1 month $'000	1 to 3 months $'000	3 to12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Loan commitments	993,674	—	—	—	—	993,674
Acceptances	239	251	323	—	—	813
Guarantees	125,502	15,172	21,179	7,847	23	169,723
Letters of credit	347	2,174	7,457	5,110	—	15,088
Operating leases	1,805	5,246	14,607	16,190	11,819	49,667
Capital commitments	—	—	12,595	—	—	12,595
Total	1,121,567	22,843	56,161	29,147	11,842	1,241,560
As at 30 September 2011						
Loan commitments	425,594	—	—	—	—	425,594
Acceptances	59	—	565	—	—	624
Guarantees	80,931	33,900	12,509	10,373	—	137,713
Letters of credit	3,777	1,424	2,132	4,524	—	11,857
Operating leases	1,762	3,524	15,979	38,053	42,199	101,517
Capital commitments	—	—	16,905	—	—	16,905
Total	512,123	38,848	48,090	52,950	42,199	694,210

3.4 Fiduciary activities

The Group provides custody, trustee and investment management services to third parties which involve the Group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these consolidated financial statements. The assets under administration at 30 September 2012 totalled $10,857 million (2011: $11,130 million).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.5 Capital management

The Group's objectives when managing capital, which is a broader concept than the equity on the face of the statement of financial position, are:-

- To comply with the capital requirement set by the regulators under the Financial Institutions Act (2008);
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders;
- To ensure that the Group can remain solvent during periods of adverse earnings or economic decline; and
- To ensure that the Group is adequately capitalised to cushion depositors and other creditors against losses.

Capital adequacy and the use of the regulatory capital are monitored monthly by the ALCO Committee, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory practices, as implemented by the Central Bank of Trinidad and Tobago for supervisory purposes. The required information is filed with the Central Bank of Trinidad & Tobago on a monthly basis.

The Central Bank of Trinidad & Tobago requires each financial institution to:

- Maintain a ratio of qualifying capital to risk adjusted assets of not less than the minimum standard of 8%;
- Core capital must not be less than fifty percent (50%) of qualifying capital i.e. supplementary capital must not exceed core capital.

The Group's regulatory capital is managed by:

- Tier 1 (Core) Capital: share capital, retained earnings and reserves created by appropriations of retained earnings;
- Tier 2 (Supplementary) Capital: qualifying subordinated loan capital, impairment allowances and unrealised gains arising on the fair valuation of available-for-sale securities and property, plant and equipment.

	2012 $'000	2011 $'000
Tier 1 (Core) Capital		
Share capital	539,957	536,400
Statutory reserve	666,132	661,446
Retained earnings	3,267,083	2,932,315
Less: Intangible assets	(211,120)	(157,735)
Total Tier 1	4,262,052	3,972,426
Tier 2 (Supplementary) Capital		
Preference shares	103,600	103,600
Fair value reserves	1,172,283	912,360
Eligible reserve provision	121,710	90,627
Total Tier 2 Capital	1,397,593	1,106,587
Total Capital	5,659,645	5,079,013
Ratios		
Risk adjusted assets	9,759,963	9,085,248
Qualifying capital to risk adjusted assets	57.99%	55.90%
Core capital to qualifying capital	76.19%	78.87%

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.6 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and liabilities presented on the Group's consolidated statement of financial position at an amount other than their fair value.

	Carrying Value		Fair Value	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Financial Assets				
Cash and due from other banks	2,449,484	1,600,743	2,449,484	1,600,743
Statutory Deposits with Central Bank	4,446,808	4,071,727	4,446,808	4,071,727
Financial assets:-				
- Loans to customers	10,321,665	8,795,000	11,063,776	8,980,894
- Held to maturity	1,633,245	1,819,039	1,704,706	1,817,364
- Other loans and receivables	1,715,979	1,836,619	1,739,717	1,836,619
- Loan notes	2,607,625	2,677,187	2,927,814	3,264,154
- Finance leases	3,891	4,756	4,614	5,524
Financial Liabilities				
Customers' deposits	18,894,585	16,047,345	18,994,016	16,079,125
Other funding instruments	6,038,847	6,641,670	6,060,059	6,756,816
Bonds payable	2,448,358	2,936,615	2,807,415	3,318,161
Notes due to related companies	58,000	58,000	58,000	58,000
Off balance sheet				
Acceptances	—	—	813	624
Guarantees	—	—	169,723	137,712
Letter of credit	—	—	15,088	11,857

The fair values of the Group's financial instruments are determined in accordance with International Accounting Standard (IAS) 39 'Financial instruments: Recognition and Measurement'.

Financial instruments where carrying value is equal to fair value
Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is equal to fair value include cash and due from other banks and statutory deposits with the Central Bank.

Loans to customers less allowance for loan losses
Loans to customers are net of specific and other provisions for impairment, which reflects the additional credit risk. The estimated fair value of these loans represents the discounted amount of future cash flows based on prevailing market rates.

Held to maturity investments
Fair value for held to maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Other loans and receivables
Receivables are net of provisions for impairment. The estimated fair value of receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. Receivables are generally for a period of less than one year.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.6 Fair value of financial assets and liabilities (continued)

(a) Financial instruments not measured at fair value (continued)

Loan notes
The fair value of these notes are calculated using discounted cash flow analyses of comparable government borrowing rates for the terms indicated.

Customer deposits
Due to their liquidity and short-term maturity, the carrying values of some customer deposits approximate their fair value. The fair value of the other customer deposits are computed using discounted cash flow analyses at current market interest rates.

Bonds payable
The fair value of the Series A, Series B and the TTD500 million bonds is calculated using discounted cash flow analysis assuming the 'yield-to-call' method of valuation. These bonds carry fixed interest rates and have been discounted using the prevailing market rate of similar instruments. However, the fair value of the US denominated bonds is based on quoted market prices.

Note due to parent company
This note is payable on demand (no maturity stated). The fair value of this note approximates its carrying value.

(b) Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments;
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial instruments measured at fair value by level of the fair value hierarchy:

As at 30 September 2012 **Financial assets**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**	**Total** **$'000**
Financial assets designated at fair value				
- Equity securities	2,690	—	—	2,690
	2,690	—	—	2,690
Available-for-sale financial assets:				
- Investment securities – debt	2,373,634	6,702,213	107,427	9,183,274
- Investment securities – equity	25,228	—	7,351	32,579
	2,398,862	6,702,213	114,778	9,215,853
Total Financial Assets	2,401,552	6,702,213	114,778	9,218,543

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

3 Financial Risk Management (continued)

3.6 Fair value of financial assets and liabilities (continued)

(b) Fair value hierarchy (continued)

As at 30 September 2011 **Financial assets**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets designated at fair value				
- Equity securities	5,354	—	—	5,354
	5,354	—	—	5,354
Available-for-sale financial assets:				
- Investment securities – debt	2,179,536	6,498,628	70,878	8,749,042
- Investment securities – equity	26,504	6,643	5,651	38,798
	2,206,040	6,505,271	76,529	8,787,840
Total Financial Assets	2,211,394	6,505,271	76,529	8,793,194

There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of Level 3 Items

	Available-for-sale		Total assets
	Debt securities $'000	Equity securities $'000	$'000
Opening Balance	70,878	5,651	76,529
Total losses	—	—	—
Exchange differences	210	3	213
- Other comprehensive income	(3,812)	—	(3,812)
Purchases	50,367	1,697	52,064
Settlement	(10,216)	—	(10,216)
Balance as at September 30 2012	107,427	7,351	114,778

3.7 Deferred day 1 profit/loss

The Group policy is not to recognise day 1 gains or losses in the consolidated financial statements.

4 Critical Accounting Estimates and Judgment

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

a) Fair value of available-for-sale financial instruments

The Group uses the 'yield-to-call' method to determine the fair value of available-for-sale financial assets not traded in active markets. This method uses a risk free yield curve at the year end and an imputed credit spread which is based on the profile of the financial asset - term, duration, call option, etc., as determined by management. The 'yield-to-call' method discounts the cash flows of the financial assets based on the assumption that those assets with embedded call options will be called by the issuer at the first opportunity. The carrying amount of available-for-sale financial assets would decrease by $500.4 million if the discount rate used in the discounted cash flow analysis is increased by 100 basis points from management's estimates (2011: $344.6 million).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

4 Critical Accounting Estimates and Judgment (continued)

b) Estimation of the impairment loss on the loan portfolio

The Group estimates the impairment loss on its loan portfolio by comparing the present value of the future cash flows to the carrying amounts in the consolidated financial statements. The Group makes assumptions about the amount and timing of future cash flows as well as the loss experience of the portfolio. The loss experience considers both the recovery rate on the portfolio as well as the probability of default by the customer. Management considers both the market and economic conditions at the year end and may modify the loss experience on the portfolio if necessary, to reflect current conditions.

Future cash flows for the individually significant loans and loans in arrears are estimated based on credit reviews performed by management and management's estimate of the value of the collateral held.

If the Group's estimation of the loss experience on the portfolio were adjusted by 1% upwards, the impairment provision for loans and receivables would increase by $0.9 million (2011: $0.8 million).

c) Held to maturity investments

The Group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances—for example, selling an insignificant amount close to maturity—it will be required to reclassify the entire category of $1,633 million (2011: $1,819 million) as available-for-sale. The investments would therefore be measured at fair value and not amortised cost. If the entire held to maturity investments are tainted, the fair value of investments would increase by $71.4 million (2011: decreased by $1.6 million), with a corresponding entry in the fair value reserve in shareholders' equity.

d) Income taxes

The Group is subject to income tax in various jurisdictions. Management judgment is required in determining provisions for income taxes and there are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

When appropriate, particularly where the ultimate tax determination is uncertain, management also obtains opinions or advice from leading tax advisors and regularly reassesses its strategy in relation to such exposures.

e) Retirement benefits

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations.

The assumptions used in determining the net cost (income) for pensions include the discount rate. The Bank determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Bank considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

4 Critical Accounting Estimates and Judgment (continued)

f) Fair valuation of properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Bank determines the amount within a range of reasonable fair value estimates. In making the judgement, the Bank considers information from a variety of sources including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) Recent prices of similar properties in less active market, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Property valuations are based on today's market conditions and thus may change in the future. If the value of the properties were to reduce or increase by 5%, the property values would reduce to $275.5 million or increase to $304.5 million in the consolidated financial statements.

g) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.2(c). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. If the discounted rate used in the value-in-use calculation was increased by 100 basis points from management's estimates, the value in use calculation will still exceeds the fair value less cost to sell calculation, and there will be no impairment of goodwill.

5 Segment Analysis

For Management purposes, the Group is organised into five business segments based on products and services as follows:

- **Retail Banking** – Includes loans and mortgages, deposit, foreign exchange transactions, credit and debit cards and card merchant acquiring business with retail and commercial customers;
- **Corporate Banking** – Loans and credit facilities and deposits and current accounts for corporate and institutional customers;
- **Treasury Management and Investment Banking** – Liquidity management and Investment banking services including corporate finance, and specialised financial trading;
- **Asset Management** – Investment products and services to institutional investors and intermediaries;
- **Group Function** – Finance, Legal, and other centralised functions.

Other group operations comprise fund management, institutional finance and providing computer services, none of which constitutes a separately reportable segment and business activities from head office.

As the Group's segmental operations are all financial with a majority of revenues derived from interest and the Executive Management relies primarily on net interest revenue to assess the performance of the segment, the total interest income and expense for all reportable segments is presented on a net basis.

There were no changes in the reportable segments during the year.

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Executive Management is measured in a manner consistent with that in the consolidated income statement.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment net interest income. Interest charged for these funds is based on the Group's average cost of funding. There are no other material items of income or expense between the business segments.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

5 Segment Analysis (continued)

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

The Group's management reporting is based on a measure of operating profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. As the Executive Management reviews operating profit, the results of discontinued operations are not included in the measure of operating profit.

The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information, which are regularly reviewed by the Executive Management.

Segmental assets and liabilities comprise operating assets and liabilities, being the majority of the items in the consolidated statement of financial position, but exclude items such as taxation.

5.1 Segment results of operations

The segmental information provided to the Executive Management for the reportable segments for the year ended September 30, 2012 is as follows:

Year ended 30 September 2012	Retail banking $'000	Corporate banking $'000	Treasury & investments banking $'000	Trustee & asset management $'000	Group functions $'000	Total $'000
Net interest income	370,689	344,455	381,871	3,388	—	1,100,403
Inter-segment net interest income	55,279	(22,717)	(32,562)	—	—	—
Net fee and commission income	91,865	10,808	17,507	146,849	1,086	268,115
Foreign exchange gains	30,578	524	28,528	1,774	2,696	64,100
Other income	7,862	142	837,051	7,176	141	852,372
Total Income	556,273	333,212	1,232,395	159,187	3,923	2,284,990
Loan impairment charges	(19,093)	(3,081)	(39,642)	—	—	(61,816)
Administrative expenses	(160,328)	(11,218)	(130,838)	(16,959)	(126,447)	(445,790)
Other operating expenses	(171,566)	(21,950)	(59,067)	(19,332)	(36,924)	(308,839)
Total Non-Interest Expenses	(350,987)	(36,249)	(229,547)	(36,291)	(163,371)	(816,445)
Profit Before Taxation	205,286	296,963	1,002,848	122,896	(159,448)	1,468,545
Income tax expense	(148)	(7)	(48,472)	(30,571)	(190,527)	(269,725)
Profit for the year	205,138	296,955	954,376	92,325	(349,976)	1,198,818
As at 30 September 2012						
Total Assets	6,080,433	6,192,281	24,954,127	371,745	414,176	38,012,762
Total Liabilities	9,690,016	5,118,415	16,722,537	133,150	12,404	31,676,522

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

5 Segment Analysis (continued)

5.1 Segment results of operations (continued)

Year ended 30 September 2011	Retail banking $'000	Corporate banking $'000	Treasury & investments banking $'000	Trustee & asset management $'000	Group functions $'000	Total $'000
Net interest income	334,644	333,241	396,789	3,276	—	1,067,950
Inter-segment net interest income	100,960	(39,020)	(61,940)	—	—	—
Net fee and commission income	76,193	9,314	9,674	137,357	900	233,439
Foreign exchange gains	26,714	826	32,371	(2,648)	1,400	58,663
Other income	5,718	68	199,935	7,919	223	213,863
Total Income	544,229	304,429	576,829	145,904	2,523	1,573,914
Loan impairment charges	(10,601)	(44,227)	(38,657)	—	—	(93,485)
Administrative expenses	(139,943)	(8,012)	(138,641)	(15,947)	(122,185)	(424,728)
Other operating expenses	(157,393)	(14,086)	(35,560)	(15,769)	(34,395)	(257,203)
Total Non-Interest Expenses	(307,937)	(66,325)	(212,858)	(31,716)	(156,577)	(775,416)
Profit Before Taxation	236,293	238,104	363,971	114,188	(154,054)	798,498
Income tax expense	—	(24)	(30,535)	(26,354)	101,377	44,464
Profit for the year	236,292	238,080	333,436	87,834	(52,680)	842,962
As at 30 September 2011						
Total Assets	4,364,366	6,362,634	25,038,540	315,610	317,187	36,398,337
Total Liabilities	6,025,899	5,204,521	19,167,050	66,032	402,142	30,865,643

5.2 Reconciliation of segment results of operations to consolidated results of operations

Year ended 30 September 2012	Total management reporting $'000	Consolidation and adjustments $'000	Total consolidated $'000
Net interest income	1,100,403	(4,100)	1,096,303
Non-interest income	1,184,587	(761,549)	423,038
Impairment losses	(61,816)	(4,969)	(66,785)
Non-interest expenses	(754,631)	2,083	(752,548)
Operating Profit	1,468,543	(768,535)	700,008
Share of profit of associates and joint ventures accounted for by the equity method	—	14,156	14,156
Income tax expense	(269,725)	1,953	(267,772)
Profit For The Year	1,198,818	(752,426)	446,392
As at 30 September 2012			
Total Assets	38,012,762	(3,979,524)	34,033,238
Total Liabilities	31,676,521	(3,392,338)	28,284,183

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

5 Segment Analysis (continued)

5.2 Reconciliation of segment results of operations to consolidated results of operations (continued)

Year ended September 30 2011	Total management reporting $'000	Consolidation and adjustments $'000	Total consolidated $'000
Net interest income	1,067,950	57,569	1,125,519
Non-interest income	505,964	(179,158)	326,806
Loan impairment charges	(93,485)	—	(93,485)
Non-interest expenses	(681,931)	3,174	(678,757)
Operating Profit	798,498	(118,415)	680,083
Share of profit of associates and joint ventures accounted for by the equity method	—	8,470	8,470
Income tax expense	44,464	(14,826)	29,638
Profit For The Year	842,962	(124,771)	718,191
Total Assets	36,398,337	(5,238,044)	31,160,293
Total Liabilities	30,865,643	(4,851,471)	26,014,172

6 Cash and Due From Other Banks

	2012 $'000	2011 $'000
Cash and bank balances	939,631	696,403
Short-term investments	1,509,853	904,340
	2,449,484	1,600,743
Short-term investments:		
- Maturity within 3 months	1,144,463	417,949
- Maturity over 3 months	365,390	486,391
	1,509,853	904,340

The average effective interest rate on short-term bank deposits was 0.10% (2011: 0.10%); these deposits have an average maturity of 90 days (2011: 90 days).

Cash and cash equivalents include the following for the purposes of the statement of cash flow statement:

Cash and bank balances	939,631	696,403
Short-term investments – maturity within 3 months	1,144,463	417,949
Due to other banks	(63,251)	(80,099)
	2,020,843	1,034,253

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

7 Statutory Deposits With Central Bank

Under the provisions of Financial Institutions Act 2008 (Trinidad and Tobago), the Bank and its subsidiary (First Citizens Asset Management Limited), are required to maintain as a deposit with the Central Bank restricted cash balances. These balances represent a ratio of certain deposit liabilities held in such form and to such extent as the Central Bank may prescribe from time to time. As of September 30, 2012, the current ratio was 17% for First Citizens Bank Limited and 9% for First Citizens Asset Management Limited. Under the provisions of the Act, it can be waived for a specified period of time and on such conditions as may be determined by the Central Bank. In 2006, the Central Bank introduced another compulsory deposit account, which amounted to $1,585.2 million as at year end (2011: $1,107.6 million) and carries an average interest rate of 0.31% (2011: 1.6%) per annum. Interest is to be paid semi-annually. The Group is in compliance with all these requirements.

8(a) Available-for-sale financial assets

	2012 $'000	2011 $'000
Securities of/or guaranteed by the Government of the Republic of Trinidad and Tobago	5,835,960	5,622,469
Listed investments	1,333,145	1,694,593
Unlisted investments	2,046,748	1,470,778
	9,215,853	8,787,840
Debt securities		
Listed	2,183,640	2,179,536
Unlisted	6,999,634	6,569,506
	9,183,274	8,749,042
Equity securities		
Listed	25,228	34,785
Unlisted	7,351	4,013
	32,579	38,798
Current portion	1,748,743	1,443,270
Non current portion	7,467,110	7,344,570
	9,215,853	8,787,840

Investment securities totalling $5,960 million (2011: $6,498 million) are pledged to secure the repurchase agreements (see Note 20). Interest rates on these repos range from 0.5% to 2.75% in 2012 (2011: 0.5% to 2.0%).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

8(a) Available-for-sale financial assets (continued)

	2012 $'000	2011 $'000
Balance at beginning of the year	8,787,840	9,216,438
Exchange differences	15,265	26,841
Additions	6,555,038	5,696,773
Disposals	(6,546,350)	(5,736,551)
Reclassification to held to maturity	—	(700)
Impairment allowance	77,590	(113,817)
Net fair value gains/(losses)	326,470	(301,144)
Balance at end of year	9,215,853	8,787,840
Fair Value Based On		
Quoted market prices	78,035	(1,415)
Other techniques	248,435	(299,729)
	326,470	(301,144)

The movement in the impairment allowance is as follows:

	2012 $'000	2011 $'000
Allowance at start of year	117,131	12,824
Exchange difference	36	60
Charge for the year	13,174	33,431
Claims under liquidity support agreement	—	109,062
Accounts written off during the year	(91,028)	(38,246)
Allowance at the end of year	39,313	117,131

8(b) Held to maturity

	2012 $'000	2011 $'000
Securities of/or guaranteed by the Government of the Republic of Trinidad and Tobago	109,255	536,397
Unlisted investments	1,331,416	958,997
Listed Investments	192,574	323,645
	1,633,245	1,819,039
Current portion	170,382	320,536
Non-current portion	1,462,863	1,498,503
	1,633,245	1,819,039
Balance at beginning of the year	1,819,039	1,955,782
Exchange differences	4,427	9,082
Additions	33,967	109,469
Disposals	(217,840)	(255,922)
Amortisation	(6,348)	628
Balance at end of year	1,633,245	1,819,039

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

8(c) Fair value through profit and loss

	2012 $'000	2011 $'000
Equity securities:		
Listed	2,690	5,354
At beginning of year	5,354	2,848
Additions	—	2,909
Disposals	(3,126)	(661)
Gains from changes in fair value	462	258
At end of year	2,690	5,354

The above equity securities are managed and their performance evaluated on a fair value basis in accordance with a documented risk management strategy, and information about the groups of financial instruments is reported to management on that basis.

9(a) Loans to customers

	2012	2011
Performing loans	10,126,304	8,610,109
Non-performing loans	483,834	410,377
	10,610,138	9,020,486
Allowance for loan losses (Note 9(b))	(288,473)	(225,486)
	10,321,665	8,795,000
Loans analysed by sector		
Consumer	1,502,442	1,199,674
Agriculture	2,795	8,107
Petroleum	7,128	351,874
Manufacturing	111,995	112,184
Construction	3,257,154	3,182,856
Distribution	181,621	131,491
Hotels and guest houses	352,003	337,535
Transport, storage and communications	369,767	109,729
Finance, insurance and real estate	864,851	786,401
Other business services	606,942	629,386
Personal services	12,953	79,408
Real estate mortgage	3,340,487	2,091,841
	10,610,138	9,020,486
Current portion	3,570,160	3,253,102
Non-current portion	6,751,505	5,541,898
	10,321,665	8,795,000

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

9(b) Allowance for loan losses

	2012 $'000	2011 $'000
Allowance at start of year	225,486	361,877
Charge based on acquisition	24,827	—
Charge for the year	40,555	81,895
Loans written off during the year	(2,395)	(218,286)
Allowance at the end of year	288,743	225,486

9(c) Impairment loss on loans net of recoveries

Charge for the year	40,555	81,895
Amounts recovered during the year	(2,633)	(10,004)
	37,922	71,891

10 Other Loans And Receivables

Corporate	1,735,591	1,822,736
Individuals	42,719	47,303
Total other loans and receivables	1,778,310	1,870,039
Less: impairment allowance	(62,331)	(33,420)
	1,715,979	1,836,619
Current portion	1,235,693	1,408,722
Non-current portion	480,286	427,897
	1,715,979	1,836,619
Balance at beginning of the year	1,836,619	1,808,810
Exchange differences	5,652	12,034
Net (disposals)/additions	(96,820)	18,520
Net movement in allowance	(29,472)	(2,745)
Balance at end of year	1,715,979	1,836,619

The movement in the impairment allowance is as follows:

Allowance at start of year	33,420	30,675
Exchange differences	100	50
Charge for the year	51,384	3,261
Written off during the year	(22,573)	(566)
Allowance at the end of year	62,331	33,420

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

11 Loan Notes

	2012 $'000	2011 $'000
The loan notes due to the Group comprise the following:		
(i) Taurus Services Limited	684,856	753,341
(ii) First Citizens Holding Limited (Holdings)	52,141	57,355
(iii) Notes receivable from Central Bank	1,870,628	1,866,491
	2,607,625	2,677,187

(i) This represents several interest bearing notes issued by Taurus Services Limited as consideration for assets sold to Taurus Services Limited as part of the restructuring of the three former banks and Government support for the Company on its formation (See Note 1).

The terms of the original notes, dated September 30, 1994, were as follows:
- Tenor of 15 years with effect from September 30, 1994;
- Interest rate of 4.5% below prime with a floor rate of 11.5% per annum;
- A moratorium of 5 years on principal payments; and
- Government guarantee.

On 1 October 2000, a new agreement was entered into whereby the Government made a bullet payment to reduce part of the interest accrued. The unpaid portion of the interest up to that date of $150 million was capitalised. Thereafter, accrued interest was capitalised semi-annually until September 30, 2002 (the end of the moratorium) and this totalled $198.4 million. The new principal balance outstanding on the restructured loan notes as at September 30, 2004 which includes all capitalised interest to date amounted to $1,267 million.

The terms of this new agreement are as follows:
- Tenor of 22 years with effect from 1 October 2000;
- Interest rate of 4.5% below prime with a floor rate of 11.5% per annum;
- A moratorium of 2 years on both principal and interest;
- Payment of principal and interest in semi-annual intervals thereafter; and
- Government guarantee.

To date, these notes have been serviced in accordance with the new agreement. These notes are not transferable.

On November 8, 2007, the Group was informed of the GORTT's intention to early repay these notes. To date, there have been no further developments.

(ii) This represents the balance on a loan note issued by Holdings as consideration for $40 million redeemable preference shares in the Bank and a non-interest bearing note in the amount of $58 million issued by the Bank.

The original terms of the note were as follows:
- Tenor of 15 years with effect from September 30, 1994;
- Interest rate of 4.5% below prime with a floor rate of 11.5% per annum; and
- Government guarantee.

On October 1, 2000, a new agreement was entered into whereby unpaid interest up to that date of $11.2 million was capitalised. Thereafter, accrued interest was capitalised semi-annually until September 30, 2002 (the end of the moratorium) and this totalled $17.9 million. The new principal balance outstanding on the restructured loan note as at September 30, 2004 which includes all capitalised interest to date amounted to $96.5 million.

The terms of this new agreement are as follows:
- Tenor of 22 years with effect from October 1, 2000;
- Interest rate of 4.5% below prime with a floor rate of 11.5% per annum;
- A moratorium of 2 years on both principal and interest;
- Payment of principal and interest in semi-annual intervals thereafter; and
- Government guarantee.

To date, this note has been serviced in accordance with the agreements. This note is not transferable.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

11 Loan Notes (continued)

(iii) This balance represents four pro-notes due from the Central Bank of Trinidad & Tobago, received as consideration for the CLICO Investment Bank (CIB) fixed deposits portfolio transferred to the Group, as part of the liquidation of that financial institution, as at February 1, 2009. Two notes totalling TTD970.8 million (2011: $970.8 million) are at 2.20% (2011: 2.7%). The other two totalling USD137.2 million (2011: $137.2 million) are at 1.20% (2011: 1.25%). These notes originally had a tenor of three (3) months with effect from July 1, 2012. These notes were subsequently rolled over on October 1, 2012 with a maturity date of December 31, 2012. Principal and interest are payable on maturity, with an option to roll-over on a monthly basis.

12 Finance Leases

	2012 $'000	2011 $'000
Gross lease receivable	4,314	5,537
Unearned finance charges	(423)	(781)
Net investment in finance leases	3,891	4,756

The gross investment in finance lease receivable is analysed as follows:

	2012 $'000	2011 $'000
- Up to one year	2,525	2,384
- One year to five years	1,789	3,153
	4,314	5,537

The net investment in finance leases may be analysed as follows:

	2012 $'000	2011 $'000
- Up to one year	2,308	2,059
- One year to five years	1,583	2,697
	3,891	4,756

13 Other Assets

	2012 $'000	2011 $'000
Accounts receivable and prepayments	195,692	217,187
Accrued interest	110,262	86,035
Receivable from GORTT	207,292	274,970
Claims to be made to GORTT	65,071	—
	578,317	578,192

The receivable from the GORTT represents amounts due from the Government of the Republic of Trinidad and Tobago relating to claims made pursuant to the Liquidity Support Agreement ("Agreement") amongst the GORTT, the Central Bank of Trinidad and Tobago and the First Citizens Bank Limited dated May 15, 2009. See note 3.1.4 (d).

As at September 30, 2012, the GORTT has paid $67.7 million to the Bank in relation to the claims made to date and the Bank has outstanding claims of $207.3 million due from the GORTT. This balance is expected to be repaid over two (2) years with interest accruing at 2% per annum. As at September 30, 2012, there was a further $65 million that became due under this arrangement. This amount was included in a claim made to the GORTT subsequent to year end.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

14 Investment In Joint Ventures

	2012 $'000	2011 $'000
a) Infolink Services Limited	18,067	15,472
b) Trinidad & Tobago Interbank Payment System Limited	786	658
	18,853	16,130

a) This investment represents 25% of the equity capital of Infolink Services Limited, a company incorporated in Trinidad and Tobago whose principal activity is the provision of electronic banking reciprocity.

b) This investment represents 14.29% in the equity capital of Trinidad & Tobago Interbank Payment System Limited whose principal activity is operation of an automatic clearings house.

Name	Country of incorporation	Assets $'000	Liabilities $'000	Revenues $'000	Profits /(loss) $'000	% Interest held
2012						
Infolink Services Limited	Trinidad & Tobago	74,657	2,389	20,233	10,381	25
Interbank Payment System Limited	Trinidad & Tobago	5,840	329	2,546	895	14.29
2011						
Infolink Services Limited	Trinidad & Tobago	63,313	1,427	20,785	7,340	25
Interbank Payment System Limited	Trinidad & Tobago	4,763	147	2,179	769	14.29

15 Investment In Associate

	2012 $'000	2011 $'000
Beginning of the year	112,852	110,422
Share of reserve movement	178	203
Share of profit after tax	11,433	6,526
Exchange differences	364	600
Dividend received from associate	(8,272)	(4,899)
At end of year	116,555	112,852

The investment in associate at September 30, 2012 includes goodwill of $4.6 million (2011: $4.6 million). The Group's share of the results of associate, which is listed on the Eastern Caribbean Securities Exchange, and its share of the assets (including goodwill and liabilities) are as follows:

Name	Country of incorporation	Assets $'000	Liabilities $'000	Revenues $'000	Profits $'000	% Interest held
2012						
St. Lucia Electricity Services Limited	St. Lucia	1,349,740	739,824	810,863	59,826	19.11
2011						
St. Lucia Electricity Services Limited	St. Lucia	1,117,710	551,505	714,402	34,151	19.11

The fair value of the investment in associate at September 30, 2012 is $131.6 million (2011: $132.6 million).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

16 Property, Plant And Equipment

	Freehold premises $'000	Leasehold premises $'000	Motor vehicles & equipment $000	Work in progress $'000	Total $'000
Year ended September 30, 2012					
Opening net book amount	284,250	43,148	87,387	7,707	422,492
Additions	90	19,999	56,719	438	77,246
Disposals	(4,687)	(42)	(528)	—	(5,257)
Revaluation surplus	14,043	—	—	—	14,043
Depreciation charge	(3,697)	(9,342)	(49,379)	—	(62,418)
Closing net book amount	289,999	53,763	94,199	8,145	446,106
At September 30, 2012					
Cost/valuation	296,781	115,998	524,490	8,145	945,414
Accumulated depreciation	(6,782)	(62,235)	(430,291)	—	(499,308)
Net book amount	289,999	53,763	94,199	8,145	446,106
Year ended September 30, 2011					
Opening net book amount	247,059	24,603	81,504	40,182	393,348
Additions	10,004	26,550	50,061	—	86,615
Disposals	—	(70)	(698)	—	(768)
Transfers	30,986	1,314	175	(32,475)	—
Depreciation charge	(3,799)	(9,249)	(43,655)	—	(56,703)
Closing net book amount	284,250	43,148	87,387	7,707	422,492
At September 30, 2011					
Cost/valuation	288,516	82,361	422,599	7,707	801,183
Accumulated depreciation	(4,265)	(39,213)	(335,212)	—	(378,690)
Net book amount	284,251	43,148	87,387	7,707	422,493
At October 1, 2010					
Cost/valuation	256,097	55,722	389,179	40,182	741,180
Accumulated depreciation	(9,038)	(31,119)	(307,675)	—	(347,832)
Net book amount	247,059	24,603	81,504	40,182	393,348

Valuation of the Bank's land and buildings was performed on August 9 and 21, 2012 by an independent valuator to determine the fair value of the properties as at September 30, 2012. The valuations were performed using the direct comparable approach and the open market basis. The direct comparable approach uses recent sales of similar properties in order to determine the current fair value. Open market values are determined by considering the current market conditions. Changes in fair value are recorded in the Statement of Comprehensive Income. The major valuation assumptions are good title, all relevant statutory approvals were granted, vacant possession is available, no onerous or unusual covenants and the property is being routinely maintained to a high standard.

If freehold premises were stated on the historical cost basis, the amounts would be as follows:

	2012 $'000	2011 $'000
Cost	208,147	208,137
Accumulated depreciation	(71,320)	(67,623)
Net book amount	136,827	140,514

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

17 Intangible Assets

	Goodwill $'000	Other intangible assets $'000	Total $'000
As at September 30, 2012			
Acquisition cost	174,836	36,284	211,120
Accumulated amortisation and impairment	—	—	—
Net book amount	174,836	36,284	211,120
Period ended September 30, 2012			
Opening net book amount	156,886	849	157,735
Additions	17,950	35,435	53,385
Amortisation charge	—	—	—
Closing net book amount	174,836	36,284	211,120
As at September 30, 2011			
Acquisition cost	156,886	849	157,735
Accumulated amortisation and impairment	—	—	—
Net book amount	156,886	849	157,735
Year ended September 30, 2011			
Opening net book amount	156,886	—	156,886
Reclassification of stockbroker's licence	—	849	849
Amortisation charge	—	—	—
Closing net book amount	156,886	849	157,735

Goodwill is reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred. There was no impairment identified in 2012 (2011: nil).

The goodwill and other intangible assets acquired during the year were in relation to the acquisition of First Citizens Bank (Barbados) Limited previously known as Butterfield Bank (Barbados) Limited (see Note 39).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

18 Retirement Benefit Asset

	2012 $'000	2011 $'000
The amount recognised in the consolidated statement of financial position is derived as follows:		
Pension plan assets at fair value	1,041,981	927,845
Present value of defined benefit obligation	(1,091,777)	(861,425)
Value of surplus	(49,796)	66,420
Unrecognised actuarial losses	278,455	187,766
Retirement benefit asset	228,659	254,186
The amounts recognised in the consolidated income statement are as follows:		
Expected return on plan assets	65,719	58,354
Interest cost	(53,124)	(44,457)
Current service cost	(41,706)	(41,317)
Net actuarial gain recognised in year	(6,418)	(6,464)
Net pension (expenses)/income	(35,529)	(33,884)
Movement in the asset recognised in the consolidated statement of financial position is as follows:		
At beginning of year	254,186	278,377
Net pension (expenses)/income	(35,529)	(33,884)
Company's contributions paid	10,002	9,693
At end of year	228,659	254,186
The movement in the defined benefit obligation over the year is as follows:		
Beginning of year	861,425	717,507
Current service cost	41,706	41,317
Interest cost	53,124	44,457
Members' contributions	9,635	9,693
Actuarial loss	150,056	61,910
Benefits paid	(23,236)	(12,589)
Expense allowance	(933)	(870)
	1,091,777	861,425
The movement in the fair value of the plan assets for the year is as follows:		
Beginning of year	927,845	818,971
Expected return on plan assets	65,719	58,354
Actuarial loss	52,949	44,593
Company's contributions	10,002	9,693
Members' contributions	9,635	9,693
Benefits paid	(23,236)	(12,589)
Expense allowance	(933)	(870)
	1,041,981	927,845
The major actuarial assumptions are:		
Discount rate:		
Active members and deferred pensioners	5.50%	6.25%
Expected return on plan assets	6.35%	7.10%
Salary increases	6.00%	6.00%
Pension increases	2.00%	3.00%

The actual return on plan assets was $118.7 million (2011: $102.9 million).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

18 Retirement Benefit Asset (continued)

Retirement Benefit Plan Assets are comprised as follows:

	2012		2011	
	$'000	**%**	**$'000**	**%**
Equity securities	364,693	35	343,303	37
Debt securities	520,991	50	501,036	54
Other	156,297	15	83,506	9
	1,041,981	100	927,845	100

The expected rate of return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at year end. Expected returns on equity reflect the long-term rates of return experienced in the respective markets.

Expected contributions to post employment benefit plans for the year ending September 30, 2012 are $7.5 million (2011: $7.7 million).

The amounts recognised in the consolidated statement of financial position for the last five years are as follows:

At September 30	**2012 $'000**	**2011 $'000**	**2010 $'000**	**2009 $'000**	**2008 $'000**
Present value of defined benefit obligation	(1,091,777)	(861,425)	(717,507)	(543,217)	(430,872)
Fair value of plan assets	1,041,981	927,845	818,971	771,629	758,822
(Surplus)/deficit in the plan	(49,796)	66,420	101,464	228,412	327,950
Experience gain/(loss) on plan liabilities	150,056	61,910	108,283	57,258	40,397
Experience gain/(loss) on plan assets	52,949	44,593	(16,987)	(62,293)	39,267

19 Customers' Deposits

	2012 $'000	**2011 $'000**
Deposits are analysed by sector as follows:		
Public institutions	6,864,398	7,147,858
Private institutions	6,417,757	4,818,314
Consumers	5,612,430	4,081,174
	18,894,585	16,047,346
Current portion	18,437,300	15,925,057
Non-current portion	457,285	122,289
	18,894,585	16,047,346

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. Deposits amounting to $3.7 billion (2011: $6.6 billion) are at fixed rates. All other deposits amounting to $15.2 billion (2011: $9.4 billion) are at variable rates.

As at year end, the unprocessed CIB deposit liabilities held was $21.9 million (2011: $23.9 million).

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

20 Other Funding Instruments

	2012 $'000	2011 $'000
Loan participation	17,314	19,886
Repurchase agreements	5,959,602	6,498,758
Funds under management	61,931	123,025
	6,038,847	6,641,669
Other funding instruments are analysed by sector as follows:		
Public institutions	2,591,160	6,482,185
Private institutions	3,447,687	159,484
	6,038,847	6,641,669
Current portion	5, 811,794	6,257,178
Non-current portion	227,053	384,491
	6,038,847	6,641,669

Interest rates on these repos range from 0.5% to 2.75% in 2012 (2011: 0.5% to 2.0%).

21 Creditors and Accrued Expenses

	2012	2011
Other liabilities	239,687	93,830
Interest payable	57,607	53,764
Funds payable to bondholders	110,930	48,525
	408,224	196,119

22 Bonds Payable

	2012	2011
(i) First Citizens (St. Lucia) Limited USD100 million Bond	—	488,565
(ii) Fixed Rate Bond TTD500 million	500,000	500,000
(iii) Fixed Rate Bond TTD500 million	406,550	406,550
(iv) Fixed Rate Bond TTD500 million	500,000	500,000
(v) First Citizens (St. Lucia) Limited USD175 million Bond	1,041,808	1,041,500
	2,448,358	2,936,615
Current portion	—	488,565
Non-current portion	2,448,358	2,448,050
	2,448,358	2,936,615

(i) This $100 million USD bond was issued on the international financial market in February 2005. This bond is unsecured and carries a fixed rate of interest of 5.46% with a tenor of seven (7) years. Interest is payable semi-annually in arrears. The principal balance was repaid in January 2012.

(ii) TTD Fixed Rate Bond – In August 2008 this bond for $500 million was issued. This bond is unsecured and carries a fixed rate of interest of 8.35% with tenor of five and one half (5 1/2) years. Interest is payable semi-annually in arrears. Principal will be repaid in a bullet payment at maturity.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

22 Debt Securities In Issue (continued)

(iii) TTD Fixed Rate Bond – In October 2008 this bond for $500 million was issued, of which a related party purchased $93.45 million. This Bond is unsecured and carries a fixed rate of 8.45% with a tenor of seven (7) years. Interest is payable semi-annually in arrears. Principal will be repaid in a bullet payment at maturity.

(iv) TTD Fixed Rate Bond – In August 2009 this bond for $500 million was issued. This Bond is unsecured and carries a fixed rate of 5.25 % with a tenor of seven (7) years. Interest is payable semi-annually in arrears. Principal will be repaid in a bullet payment at maturity.

(v) USD175 million Fixed Rate Bond – In February 2011, this bond was issued on the international financial market through a private placement, of which a related party purchased $21.60 million. This bond is unsecured and carries a fixed rate of interest of 4.903% with a tenor of five (5) years. Interest is payable semi-annually in arrears. The principal outstanding will be paid at maturity.

23 Deferred Income Tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% (2011: 25%).

	2012 $'000	2011 $'000
The movement on the deferred income tax account is as follows:		
At beginning of year	(51,434)	(207,375)
Impact of revaluation adjustments recorded directly to shareholders' equity:		
- Revaluation on available-for-sale investments	(84,291)	67,278
- Revaluation on held to maturity	—	1,836
- Revaluation on property, plant and equipment	(3,753)	377
- Tax on business combination	(15,167)	—
(Charge)/credit to consolidated statement of income (note 33)	(158,477)	86,450
At end of year	(313,122)	(51,434)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax assets and liabilities are attributable to the following items:

	Balance at 1.10.10 $'000	(Charge)/credit to income statement $'000	(Charge)/credit to other comprehensive income $'000	Balance at 30.09.11 $'000
Deferred income tax assets				
Tax losses carried forward	86,106	86,586	—	172,692
Derivative financial liability	4,132	(4,132)	—	—
Impairment loss on available-for-sale financial asset	8,897	7,039	—	15,936
Provisions	96	53	—	149
Fair value adjustments on business combination				
- Financial assets held to maturity	4,392	(1,943)	—	2,449
- Other funding instruments	13,051	(12,449)	—	602
Fair value measurement of assets through profit or loss	440	(65)	—	375
	117,114	75,089	—	192,203

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

23 Deferred Income Tax (continued)

	Balance at 1.10.10 $'000	(Charge)/credit to income statement $'000	(Charge)/credit to other comprehensive income $'000	Balance at 30.09.11 $'000
Deferred income tax liabilities				
Retirement benefit asset	(69,592)	6,048	—	(63,544)
Fair value measurement of available-for-sale financial asset	(165,718)	—	67,278	(98,440)
Fair value measurement of held to maturity	(13,060)	—	1,836	(11,224)
Fair value measurement recognised on business combination	(774)	—	—	(774)
Zero coupon instruments	(30,307)	4,477	—	(25,830)
Accelerated tax depreciation	(15,654)	1,209	—	(14,445)
Unrealised exchange and other gains	(3,044)	(373)	—	(3,417)
Revaluation gain on property, plant and equipment	(26,340)	—	377	(25,963)
	(324,489)	11,361	69,491	(243,637)
Net deferred income tax liability	(207,375)	86,450	69,491	(51,434)

	Balance at 1.10.11 $'000	(Charge)/credit to income statement $'000	(Charge)/credit to other comprehensive income $'000	Acquisition $'000	Balance at 30.09.12 $'000
Deferred income tax assets					
Tax losses carried forward	172,692	(170,808)	—	—	1,884
Impairment loss on available-for-sale financial asset	15,936	(4,299)	—	—	11,637
Provisions	149	—	—	—	149
Fair value adjustments on business combination					
- Financial assets held to maturity	2,449	(1,886)	—	—	563
- Other funding instruments	602	(602)	—	—	—
Fair value measurement of assets through profit or loss	375	518	—	—	893
	192,203	(177,077)	—	—	15,126
Deferred income tax liabilities					
Retirement benefit asset	(63,544)	6,382	—	—	(57,162)
Fair value measurement of available-for-sale	(98,440)	—	(84,291)	—	(182,731)
Fair value measurement of held to maturity	(11,224)	1,775	—	—	(9,449)
Fair value measurement recognised on business combination	(774)	797	—	(15,167)	(15,144)
Zero coupon instruments	(25,830)	6,703	—	—	(19,127)
Accelerated tax depreciation	(14,445)	2,247	—	—	(12,198)
Unrealised exchange and other gains	(3,417)	696	—	—	(2,721)
Revaluation gain on property, plant and equipment	(25,963)	—	(3,753)	—	(29,716)
	(243,637)	18,600	(88,044)	(15,167)	(328,248)
Net deferred income tax liability	(51,434)	(158,477)	(188,044)	(15,167)	(313,122)

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

24 Notes Due To Parent Company

	2012 $'000	2011 $'000
First Citizens Holdings Limited	58,000	58,000

The amount due to Holdings is a non-interest bearing note with no specified maturity date, issued in part consideration for a note acquired from Holdings (see Note 11 (ii)).

25 Share Capital

The total authorised number of shares are issued and fully paid. These shares are not traded in an open market. During the year, the capital contribution of $300 million was converted into 14,778,835 ordinary shares and an additional 175,237 shares were issued at a share price of $20.30.

	2012 $'000	2011 $'000
251,353,562 ordinary shares of no par value	539,957	236,400
42,500,000 A preference shares of no par value	42,500	42,500
61,100,000 B preference shares of no par value	61,100	61,100
	643,557	340,000
Capital contribution	—	300,000
	643,557	640,000

The Class A preference shares are non-convertible, non-participating and non-voting. The option for redemption expired in September 1999. The shares pay cumulative dividend of 4% per annum.

The Class B preference shares pay cumulative dividends of 2% per annum, but are non-participatory, non-voting, non-convertible and non-redeemable.

26 Statutory Reserve

The Financial Institutions Act 2008, Part VI, Section 56 1(a) stipulates that a Bank must transfer at the end of each financial year no less than 10% of its profits after taxation to a Reserve Fund until the amount standing to the credit of the Reserve Fund is not less than the stated capital or assigned capital of the Bank.

27 Interest Income

	2012 $'000	2011 $'000
Loans to customers	689,090	674,003
Investment securities	670,648	753,354
Loan notes	132,700	144,090
	1,492,438	1,571,447

28 Interest Expense

Customers' deposits	58,482	125,870
Other funding instruments	168,783	144,078
Bonds payable	168,870	175,980
	396,135	445,928

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

29 Fees And Commissions

	2012 $'000	2011 $'000
Credit related fees	27,406	11,856
Transaction service fees/commissions	82,203	76,751
Portfolio and other management fees	157,468	142,393
	267,077	231,000

30 Foreign Exchange Gains

	2012 $'000	2011 $'000
Transaction gains less losses	46,703	52,811
Translation gains less losses	17,397	5,852
	64,100	58,663

31 Administrative Expenses

	2012 $'000	2011 $'000
Wages and salaries	307,047	288,654
Pension expenses/(income) (Note 18)	35,529	33,884
Other administrative expenses	40,758	43,049
Depreciation	62,418	56,703
	445,752	422,290

The number of permanently employed staff as at the year-end was as follows:

	2012		2011	
	Employees	%	Employees	%
First Citizens Bank Limited	1,345	82	1,338	88
Subsidiaries	295	18	182	12
	1,640	100	1,520	100

32 Other Operating Expenses

	2012 $'000	2011 $'000
Property expenses	41,630	46,447
Technical and professional	30,942	10,633
Advertising expenses	23,350	25,483
Hardware and software maintenance	23,841	15,788
Deposit insurance (see below)	25,545	23,536
Operating expenses	161,488	134,580
	306,796	256,467

The Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986, established a Deposit Insurance Fund for the protection of depositors. By the Central Bank (Deposit Insurance) Order 1986, dated September 17, 1986, an annual premium of 0.2% of the average deposit liabilities outstanding as at the end of each quarter of the preceding year is levied.

33 Taxation

	2012 $'000	2011 $'000
Current tax (including prior year under provision)	109,295	56,812
Deferred tax (Note 23)	158,477	(86,450)
	267,772	(29,638)

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

33 Taxation (continued)

The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2012 $'000	2011 $'000
Profit before taxation	714,164	688,553
Tax calculated at 25%	178,541	172,138
Income exempt from tax	(71,062)	(245,020)
Expenses not deductible for tax purposes	19,686	25,861
De-recognition of previously recognised tax losses	26,384	126,034
Prior year under/(over) provision	128,092	(97,739)
Business levy	—	5,087
Effects of different tax rates in other countries (i)	(13,869)	(15,999)
	267,772	(29,638)

(i) This represents the difference in tax charged in St. Lucia at 1% versus Trinidad & Tobago at 25%.

The Group is subject to income tax in various jurisdictions. Management judgement is required in determining provisions for income taxes and there are many transactions and calculations for which the ultimate tax determination is uncertain. When appropriate, particularly where the ultimate tax determination is uncertain, management also obtains opinions or advice from leading tax advisors and regularly reassesses its strategy in relation to such exposures.

From 2004, the Bank began entering into swap instruments to manage its foreign exchange exposure arising from the Bank's USD notes. One of these instruments matured in February 2011, requiring a bullet principal payment at maturity. While judgment is required in determining the provision for income taxes and deferred income taxes on these instruments, management believes that its treatment has been appropriate in the financial disclosures for all relevant tax years based on the tax strategy adopted at the time of their preparation.

While management maintains its position regarding the tax benefits available from these derivative instruments, management re-assessed its tax strategy in relation to the pursuit of tax benefits to be derived from these instruments. This change in strategy, which was done after careful evaluation of all relevant factors and in consultation with our tax advisors, but prior to the filing of its 2011 corporation tax return, resulted in a difference between the tax liability as per the tax return for 2011 and the estimate of the tax provision recognised in the financial statements for the year ended September 30, 2011 as well as changes to the deferred income tax estimates. This change in estimate, amounting to an additional tax charge of $128.3 million, was recognised in the income statement for the year ended September 30, 2012 in accordance with the relevant International Financial Reporting Standards. Had the impact of this change been recorded in the respective year of income rather than the current period in which the determination was made, the profit after taxation and the effective tax rate for the years ended September 30, 2012 and 2011 would have been as follows:

Profit before taxation	714,164	688,553
Taxation	(139,476)	(98,658)
Profit after taxation	574,688	589,895
Effective tax rate	19.53%	14.33%

34 Dividend

Ordinary dividend paid	104,016	182,028
Interim dividend paid	—	78,021
Preference dividend paid	2,922	2,922
	106,938	262,971

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

35 Related Party Transactions and Balances

	2012 $'000	2011 $'000
(a) Directors and key management personnel		
Salaries and other short-term employee benefits	30,626	21,300
Loans and receivables	5,457	25,478
Interest income	245	341
Customers' deposits	3,955	4,308
Interest expense	33	55
Other funding instruments	1,448	907
Interest expense	36	39
(b) Transactions with associate		
Loans and receivables	103,192	119,201
Interest income	8,376	9,458
(c) Transactions with parent		
Customers' deposit	1,745	1,271
Long term notes (Note 24)	58,000	58,000
Loan note (Note 11)	52,141	57,355
Interest income on loan notes	6,464	7,045

(d) Government of the Republic of Trinidad and Tobago

As stated in Note 1, on the formation of the Bank 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:

	2012 $'000	2011 $'000
Assets		
Loan notes (Note 11)	684,856	753,341
Loan note Central Bank (Note 11)	1,870,628	1,866,491
Interest Income		
Loan notes with Taurus Services Limited	84,897	92,536
Loan note with the Central Bank of Trinidad & Tobago	33,522	39,969

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

35 Related Party Transactions and Balances (continued)

(e) Other transactions with the Government of the Republic of Trinidad and Tobago

In addition to the balances in (c) 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:

	2012 $'000	2011 $'000
Loans and receivables	2,314,500	2,433,986
Interest income	173,587	182,291
Customers' deposits	6,864,398	7,147,858
Interest expense	20,469	64,408
Investments	5,945,215	6,158,866
Investment income	321,763	387,858
Other funding instruments	2,591,160	6,482,185
Interest expense	73,420	48,309
Due from GORTT (Note 13)	272,363	274,970

36 Commitments

(i) Capital commitments Capital expenditure approved by the Directors but not provided for in these accounts amounts to:	12,595	16,705
(ii) Credit commitments Commitments for loans approved not yet disbursed amount to:	993,674	425,594

37 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.

(b) Customers' liability under acceptances, guarantees and letters of credit

These represent the Group's potential liability for which there are claims against its customer in the event of a call on these commitments.

Acceptances	813	624
Guarantees	169,723	137,713
Letters of credit	15,089	11,857
	185,625	150,194

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

38 Lease Rentals

The Group leased certain premises under non-cancellable operating leases expiring in various years up to 2019. The leases contain renewal options from five to twenty-five years. Rental expense incurred under lease agreements amount to $22.5 million for the year 2012 (2011: $24.7 million).

The future lease obligations under non-cancellable leases are summarised below:

	2012 $'000	2011 $'000
- Up to one year	21,658	21,265
- One year to five years	16,190	38,053
- Over five years	11,819	42,199
	49,667	101,517

39 Business Combination

Effective August 27, 2012, the Bank acquired control of the First Citizens Bank (Barbados) Limited (FCBBL), formerly Butterfield Bank (Barbados) Limited. The acquired business contributed revenues of $11.5 million and net profit of $0.09 million to the group for the period from August 27, 2012 to September 30, 2012. These amounts have been calculated using the group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from August 27, 2012, together with the consequential tax effects.

Details of net assets acquired and goodwill are as follows:

- Purchase consideration	283,293
- Fair value of net assets acquired	265,343
Goodwill	17,950

The goodwill is attributable to the acquired customer base and economies of scale expected from combining the operations of the group.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012 (cont'd)

Notes to the Consolidated Financial Statements (cont'd)

39 Business Combination (continued)

The assets and liabilities as of August 27, 2012 arising from the acquisition are as follows:

	Fair Value $'000	Carrying Value $'000
Cash and cash equivalents	199,514	199,514
Property, plant and equipment	20,435	20,435
Intangibles - customers	35,435	—
Investment securities:		
Loans and receivables	439,396	437,343
Loans and advances to customers	1,172,684	1,157,950
Other assets	21,575	21,575
Customers' deposits	(1,586,267)	(1,595,795)
Creditors and accruals	(21,990)	(21,990)
Deferred tax liability	(15,439)	—
Fair value of net assets acquired	265,343	219,032
Total purchase consideration		
Purchase consideration settled in cash	283,293	—
Cash and cash equivalents in subsidiary acquired	(199,514)	—
Cash outflow on acquisition	83,779	—

40 Subsequent events

There were no material subsequent events occurring after the year end up until the date of the approval of these financial statements that requires disclosure or adjustment in the financial statements.

APPENDIX 5 – TTCD ACCOUNT OPENING CHECKLIST

WHAT	WHICH	WHY	DETAILS
Two forms of identification	• National ID • Driving Permit • Passport	As part of regulatory requirements and KYC documentation	IDs must not have expired. Copies must be certified as "original seen" by the Stockbroker representative
Proof of Address	• T&TEC • WASA • TSTT • B-Mobile • Digicel • FLOW • Green Dot • Credit Card/Bank Statement	Proof that your address as provided is valid	Utility bills should not be more than three months old Copies must be certified as "original seen" by the Stockbroker representative
Proof of Employment	A job letter. Salary need not be declared.	To show proof of employment as part of regulatory requirements and KYC documentation	Pay slips and job letters should not be more than three months old
TTCD Account opening form	TTCD form provided by an authorized Stockbroker	To establish a brokerage account with the TTCD	Brokerage accounts hold your shares
Bank mandate form	TTCD form provided by an authorised Stockbroker	To record your bank information for the payment of any dividends declared.	Dividend payments will be sent automatically to this account at established payment dates

First Citizens