

First Citizens Bank Limited (FIRST) Results for the Half Year Ended March 31, 2019

Key Points:

First Citizens Bank Limited's ('FIRST') announced:

- The opening of their Shared Services Campus
- Improved performance was due mainly from the growth in customer's loan portfolio
- This year the company launched its Employee Stock Ownership Plan (ESOP)
- Introduction of Chip Pin Debit Cards
- The Group continued to effectively manage its expenses and also benefited from a reversal in expected credit losses booked at September 2018
- FIRST's Strategic Focus: Digital Banking, Operation Efficiency, Culture & Employee Experience, Risk and Customer Centricity

Basic Earnings Per Share (EPS):

FIRST reported an EPS of \$1.56, up 7.59 per cent or \$0.11 per share on the corresponding period's EPS of \$1.45 in HY18.

EPS recorded in Q2 2019 was \$0.71, which was the highest over the past seven Q2 quarters.

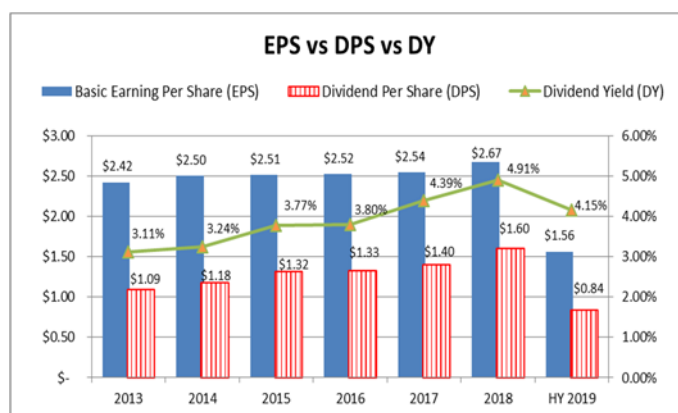
Dividend:

The Board of Directors declared a 2nd interim dividend of \$0.46 per share. This dividend will be paid on May 29, 2019 to shareholders on record as at May 15, 2019.

Dividend	1st Interim	2nd Interim	3rd Interim	Final	Total	Dividend Yield
2019	\$0.38	\$0.46			\$0.84	4.15%
2018	\$0.36	\$0.44	\$0.32	\$0.48	\$1.60	4.91%
2017	\$0.69	\$0.00	\$0.00	\$0.71	\$1.40	4.39%
2016	\$0.66	\$0.00	\$0.00	\$0.67	\$1.33	3.80%
2015	\$0.58	\$0.00	\$0.00	\$0.74	\$1.32	3.77%
2014	\$0.57	\$0.00	\$0.00	\$0.61	\$1.18	3.24%
2013	\$0.00	\$0.00	\$0.00	\$1.09	\$1.09	3.11%

Financial Year End	September 30
Sector	Banking
Symbol on TTSE	FIRST
Issued Share Capital	251.35MM
Market Capitalization	\$9.03B
Current Price (June 7, 2019)	\$39.00
52 Week Price Range	\$32.60 - \$40.00
Trailing EPS	\$2.79
Price to Earnings Multiple	13.98x
Current Book Value/Share	\$27.27
Price to Book	1.43x
Return on Equity	11.52%
Return on Assets	1.83%

Basic EPS	Q1	Q2	Q3	Q4	Total
2019	\$0.85	\$0.71			\$1.56
2018	\$0.81	\$0.64	\$0.40	\$0.82	\$2.67
2017	\$0.74	\$0.63	\$0.60	\$0.57	\$2.54
2016	\$0.72	\$0.61	\$0.63	\$0.56	\$2.52
2015	\$0.71	\$0.59	\$0.62	\$0.59	\$2.51
2014	\$0.70	\$0.58	\$0.62	\$0.60	\$2.50
2013	\$0.71	\$0.55	\$0.64	\$0.52	\$2.42



Income Statement as at March 31, 2019

	HY19 \$'000	HY18 \$'000	\$ Change HY19 - HY18 \$'000	% Change HY19 - HY18	Change	YE18 \$'000
Net Interest Income	793,541	781,396	12,145	1.55%	↑	1,558,950
Other Income	333,060	341,227	(8,167)	-2.39%	↓	657,831
Total Net Income	1,126,601	1,122,623	3,978	0.35%	↑	2,216,781
Expenses	(563,462)	(530,714)	32,748	6.17%	↑	(1,046,969)
Impairment Expenses net recoveries	(57)	(47,074)	(47,017)	-99.88%	↓	(178,024)
Operating Profit	563,082	544,835	18,247	3.35%	↑	991,788
Share of Profit in Associates and Joint	10,295	8,179	2,116	25.87%	↑	18,238
Profit Before Taxation	573,377	553,014	20,363	3.68%	↑	1,010,026
Taxation	(178,439)	(185,682)	(7,243)	-3.90%	↓	(336,333)
Profit After Taxation	394,938	367,332	27,606	7.52%	↑	673,693
Basic EPS	\$1.56	\$1.45	\$0.11	7.59%	↑	\$2.67

Balance Sheet as at March 31, 2019

	HY19 \$'000	HY18 \$'000	\$ Change HY19 - HY18 \$'000	% Change HY19 - HY18	Change	YE18 \$'000
Total Assets	43,052,191	40,884,635	2,167,556	5.30%	↑	42,044,565
Total Liabilities	36,198,104	34,123,944	2,074,160	6.08%	↑	35,422,848
Total Equity	6,854,087	6,760,691	93,396	1.38%	↑	6,621,717
	43,052,191	40,884,635	2,167,556			42,044,565

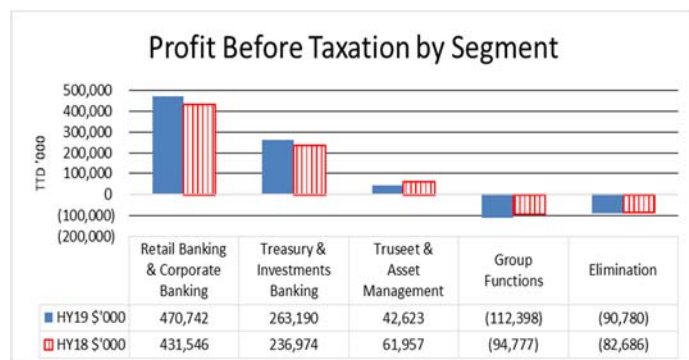
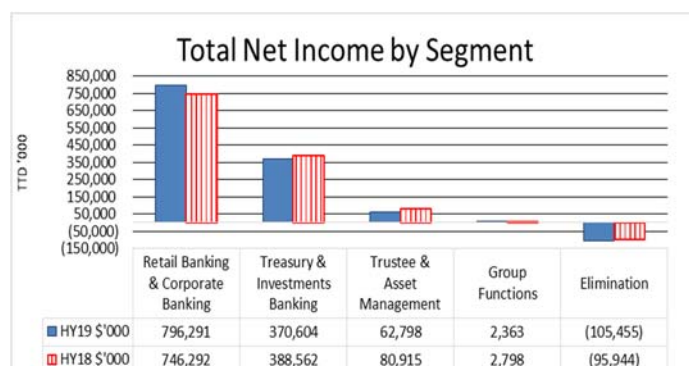
Financials:

- Total Net Income closed at \$1.13B, up 0.35 per cent or \$3.98MM from HY18's total of \$1.12B.
- Profit Before Tax for HY19 stands at \$573.38MM, up 3.68 per cent or \$20.36MM from \$553.01MM in HY18.
- Expenses increased by 6.17 per cent or 32.75MM to close at 563.46MM due to expenses incurred from the launch of the Shared Service Campus, salaries and a one off cost to IBM.
- Profit After Tax totaled \$394.94MM in HY19 up 7.52 per cent or \$27.61MM from \$367.33MM in HY18.
- Total Assets increased by 5.30 per cent or \$2.2B to \$43.05B in HY19.
- Total Liabilities amounted to \$36.20B in HY19 and Total Equity rose by 1.38 per cent or \$93.40MM to close at \$6.85B.

The Retail & Corporate Banking segment was the major contributor to the Group's Total Net Income followed by Treasury & Investment Banking. In third place was the Trustee & Asset Management segment.

The major contributor to Profit before Taxes was the Retail & Corporate Banking segment. In second place was Treasury & Investment Banking followed by the Trustee & Asset Management segment.

At the current price of \$39.00 the trailing P/E ratio is 13.81 times which is below the banking sector weighted average P/E of 16.12 times. FIRST's dividend yield is 4.15 per cent compared to the banking sector weighted average dividend yield of 5.19 per cent.



*Eliminations represent outstanding balances with other entities within the Group which are required to be eliminated in the preparation of consolidated financial statements

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