

## First Citizens Bank Limited (FIRST) Results for the Nine Months Ended June 30, 2018

### Key Points:

First Citizens Bank Limited's ('FIRST') profits remained relatively flat due:

- to the adverse impact by a substantial impairment expense in respect of the Group's Barbados portfolio, following the Government's announcement that they would not be unable to service its existing debt
- increase in the corporation tax rate to 35% for commercial banks.

FIRST adopted International Financial Reporting Standard No 9 in this quarter and based on the Group's conservative provisioning policy under IAS 39, the impact of this change was not as significant as expected.

### Diluted Earnings Per Share (EPS):

FIRST reported an EPS of \$1.85, down 6.09 per cent or \$0.12 per share on the corresponding period's EPS of \$1.97 in NM17.

EPS recorded in Q3 2018 was the lowest over the past six Q3 quarters.

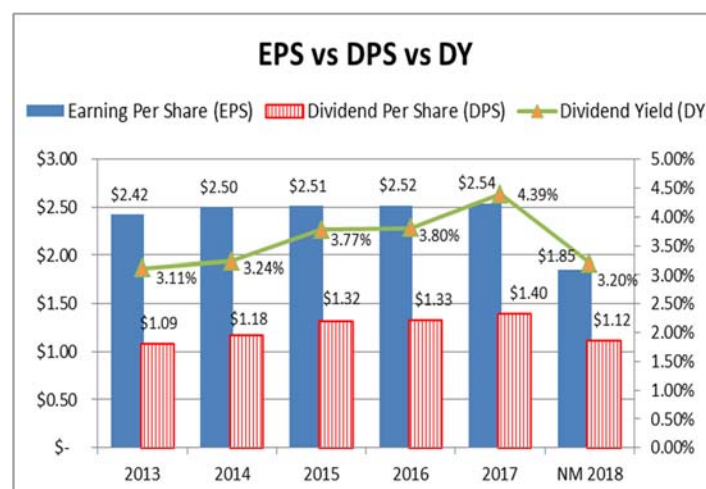
### Dividend:

The Board of Directors declared an interim dividend of \$0.32 per share which brings the total interim dividend for the nine month period to \$1.12 per share. The interim dividend will be paid on August 30, 2018 to shareholders on record as at August 16, 2018. This year the company changed its dividend policy from semiannual to quarterly payments.

Dividend	1st Interim	2nd Interim	3rd Interim	Final	Total	Dividend Yield
2018	0.36	0.44	0.32		1.12	3.20%
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
<b>Sector</b>	<b>Banking</b>
Symbol on TTSE	FIRST
Issued Share Capital	251.35MM
Market Capitalization	\$8.80B
Current Price (August 21, 2018)	\$34.91
52 Week Price Range	\$31.67 - \$35.01
Trailing EPS	\$2.42
Price to Earnings Multiple	14.42x
Current Book Value/Share	\$25.72
Price to Book	1.4 x
Return on Equity	9.49%
Return on Assets	1.56%

Diluted EPS	Q1	Q2	Q3	Q4	Total
2018	0.81	0.64	0.40		1.85
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 June 30, 2018

			\$ Change	% Change	Change	YE17
	NM18	NM17	NM18 - NM17	NM18 - NM17		
	\$'000	\$'000	\$'000			\$'000
Net Interest Income	1,171,172	1,053,567	117,605	11.16%	↑	1,418,351
Other Income	472,233	461,656	10,577	2.29%	↑	568,223
<b>Total Net Income</b>	<b>1,643,405</b>	<b>1,515,223</b>	<b>128,182</b>	<b>8.46%</b>	<b>↑</b>	<b>1,986,574</b>
Operating Expenses	(786,138)	(775,746)	10,392	1.34%	↑	(1,056,092)
<b>Operating Profit</b>	<b>857,267</b>	<b>739,477</b>	<b>117,790</b>	<b>15.93%</b>	<b>↑</b>	<b>930,482</b>
Impairment Expenses						
Net Recoveries	(190,174)	(74,621)	115,553	154.85%	↑	(75,697)
	<b>667,093</b>	<b>664,856</b>	<b>2,237</b>	<b>0.34%</b>	<b>↑</b>	<b>854,785</b>
Share of Profit in Associates and Joint	13,194	16,533	(3,339)	-20.20%	↓	21,597
<b>Profit Before Taxation</b>	<b>680,287</b>	<b>681,389</b>	<b>(1,102)</b>	<b>-0.16%</b>	<b>↓</b>	<b>876,382</b>
Taxation	(211,293)	(182,847)	28,446	15.56%	↑	(234,450)
<b>Profit After Taxation</b>	<b>468,994</b>	<b>498,542</b>	<b>(29,548)</b>	<b>-5.93%</b>	<b>↓</b>	<b>641,932</b>
<b>EPS</b>	<b>\$1.85</b>	<b>\$1.97</b>	<b>(\$0.12)</b>	<b>-6.09%</b>	<b>↓</b>	<b>\$2.54</b>

### Balance Sheet as at June 30, 2018

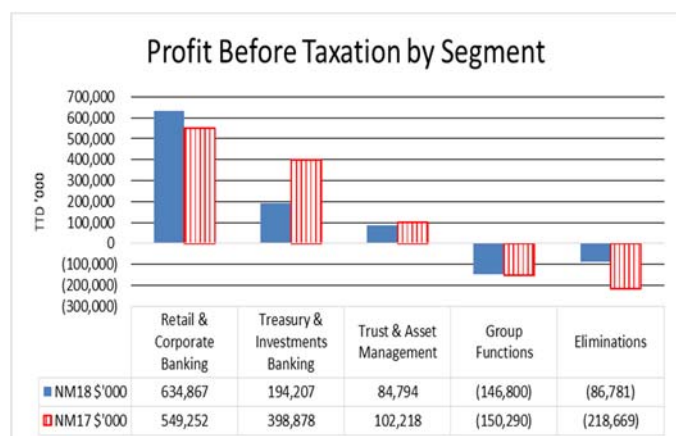
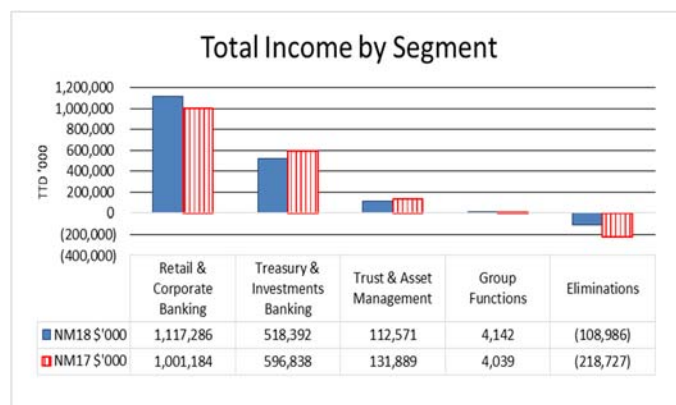
			\$ Change	% Change	Change	YE17
	NM18	NM17	NM18 - NM17	NM18 - NM17		
	\$'000	\$'000	\$'000			\$'000
Total Assets	41,214,954	38,704,000	2,510,954	6.49%	↑	38,958,278
Total Liabilities	34,750,550	32,088,224	2,662,326	8.30%	↑	32,206,696
Total Equities	6,464,404	6,615,776	(151,372)	-2.29%	↓	6,751,582
	<b>41,214,954</b>	<b>38,704,000</b>	<b>2,510,954</b>			<b>38,958,278</b>

### Financials:

Total Income closed at \$1.64B, up 7.46 per cent or \$128.18MM from NM17's total of \$1.52B. Profit Before Tax for NM18 stands at \$680.29MM, down 0.16 per cent or \$1.10MM from \$681.39MM in NM17. Profit After Tax totaled \$469.00MM in NM18 down 5.93 per cent or \$29.55MM from \$498.54MM in NM17.

Total Assets increased by 6.49 per cent or \$2.51B to \$41.21B in NM18. Total Liabilities amounted to \$34.75B in NM18 and Total Equities decreased by 2.29 per cent or \$151.37MM to close at \$6.46B.

The Retail & Corporate Banking segment is the major contributor to the Group's Operating Income and Profit Before Tax followed by Treasury & Investment Banking. In third place is Trust & Asset Management segment.



\*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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