

## First Citizens Bank Limited Results for the First Quarter Ended December 31, 2016

### Earnings Per Share

For the First Quarter Ended December 31, 2016 (Q117), First Citizens Bank Limited (FIRST) reported Earnings Per Share (EPS) of \$0.74, up 2.78 per cent or \$0.02 per share on the corresponding period's EPS of \$0.72 cents in fiscal 2016.

### Financial Highlights (Q117 on Q116)

	Q117 \$'000	Q116 \$'000	\$ Change Q117 - Q116 \$'000	% Change Q117 - Q116	YE16 \$'000
Net Interest Income	344,866	303,118	41,748	13.77%	1,283,762
Other Income	179,737	191,814	(12,077)	-6.30%	711,330
<b>Total Net Income</b>	<b>524,603</b>	<b>494,932</b>	<b>29,671</b>	<b>5.99%</b>	<b>1,995,092</b>
Impairment Expenses Net Recoveries	(30,328)	(28,809)	(1,519)	5.27%	(86,222)
Non-Interest Expenses	(251,361)	(251,353)	(8)	0.00%	(1,107,360)
<b>Operating Profit</b>	<b>242,914</b>	<b>214,770</b>	<b>28,144</b>	<b>13.10%</b>	<b>801,510</b>
Share of Profit in Associates and Joint Venture	4,674	5,252	(578)	-11.01%	15,865
<b>Profit Before Taxation</b>	<b>247,588</b>	<b>220,022</b>	<b>27,566</b>	<b>12.53%</b>	<b>817,375</b>
Taxation	(62,404)	(40,147)	(22,257)	55.44%	(180,153)
<b>Profit After Taxation</b>	<b>185,184</b>	<b>179,875</b>	<b>5,309</b>	<b>2.95%</b>	<b>637,222</b>
<b>EPS</b>	<b>\$0.74</b>	<b>\$0.72</b>	<b>\$0.02</b>	<b>2.78%</b>	<b>\$2.52</b>

Q117 on Q116, Net Interest Income rose 13.77 per cent or \$41.75MM from \$303.12MM to \$344.87MM driven by increases in Investments of 21.10 per cent or \$2.67B from \$12.64B (Q116) to \$15.30B (Q117) as well as increases in Loans to Customers of 2.68 per cent or \$361.20MM from \$13.48B to \$13.85B. Other Income, however, fell 6.30 per cent or \$12.08MM from \$191.81MM to \$179.74MM. This resulted in an overall increase in Total Net Income for the three month period of 5.99 per cent or \$29.67MM from \$494.93MM to \$524.60MM.

The Bank conducts a broad range of banking and financial services and comprises five business segments – Retail Banking, Corporate Banking, Treasury Management and Investment Banking, Asset Management and Group Functions. The major contributor to Total Net Income was the Retail & Corporate Banking segment of the Bank, which accounted for \$334.87MM of the total figure and recorded growth of 13.18 per cent from the \$295.87MM reported in Q116. The Retail & Corporate Banking unit includes loans and mortgages, deposits, foreign exchange transactions, credit and debit cards and card merchant acquiring business with retail and commercial customers. It also includes loans and credit facilities and deposits and current accounts for corporate and institutional customers.

According to the latest data released by the Central Bank of Trinidad and Tobago, credit growth has been moderate with credit by the consolidated financial system to the private sector growing 3.80 per cent year on year in November 2016. This is compared to the 3.00 per cent recorded in the prior month.

Impairment Expenses Net Recoveries rose 5.27 per cent or \$1.52MM to \$30.33MM in Q117 from \$28.81MM in Q116 while Non-Interest Expenses remained relatively unchanged at \$251.36MM from \$251.35MM in Q116. Thus Operating Profit for the first quarter improved 13.10 per cent or \$28.14MM to \$242.91MM from \$214.77MM in the comparable quarter in the previous fiscal year.

Share of Profit in Associates and Joint Venture fell 11.01 per cent or \$0.58MM from \$5.25MM in Q116 to \$4.67MM in Q117. As such, Profit Before Taxation closed the three month period under review at \$247.59MM, up 12.53 per cent or \$27.57MM from \$220.02MM in Q116. The Effective Tax rate increased from 18.25 per cent to 25.20 per cent which resulted in Taxation rising 55.44 per cent or \$22.26MM from \$40.15MM (Q116) to \$62.40MM (Q117). Thus, Profit After Taxation rose 2.95 per cent or \$5.31MM from \$179.88MM in Q116 to \$185.18MM in Q117.

### Total Net Income by Business Segment (Q117 on Q116)

	Q117	Q116	\$ Change	% Change
	\$'000	\$'000	Q117 - Q116	Q117 - Q116
			\$'000	
Retail & Corporate Banking	334,872	295,866	39,006	13.18%
Treasury & Investments Banking	152,405	148,121	4,284	2.89%
Trust & Asset Management	45,606	58,562	(12,956)	-22.12%
Group Functions	(317)	1,233	(1,550)	-125.71%
Eliminations	(7,964)	(8,850)	886	-10.01%
<b>Total</b>	<b>524,602</b>	<b>494,932</b>	<b>29,670</b>	<b>5.99%</b>

### Profit Before Taxation by Business Segment (Q117 on Q116)

	Q117	Q116	\$ Change	% Change
	\$'000	\$'000	Q117 - Q116	Q117 - Q116
			\$'000	
Retail & Corporate Banking	175,016	163,916	11,100	6.77%
Treasury & Investments Banking	89,009	61,697	27,312	44.27%
Trust & Asset Management	35,959	47,978	(12,019)	-25.05%
Group Functions	(48,799)	(51,169)	2,370	-4.63%
Eliminations	(3,597)	(2,400)	(1,197)	49.88%
<b>Total</b>	<b>247,588</b>	<b>220,022</b>	<b>27,566</b>	<b>12.53%</b>

The Group's efficiency ratio improved from 50.79 per cent in Q116 to 47.91 per cent in Q117.

The Total Assets of the Bank as at Q117 stood at \$39.42B, up 8.50 per cent or \$3.09B on Q116 and up 1.48 per cent or \$574.06MM on YE16. This increase was mainly due to growth in Investments of 21.10 per cent or \$2.67B from \$12.64B (Q116) to \$15.30B (Q117) and increases in Loans to Customers of 2.68 per cent or \$361.20MM from \$13.48B to \$13.85B.

### Second Public Offering

In the 2016/2017 Budget, the Minister of Finance announced the proposed disposal by the Government of Trinidad and Tobago of an additional 20 per cent of its shareholding in First Citizens Holdings Limited, the majority owner of FIRST. This measure is expected to generate revenue of \$1.5B.



**Equity Research**  
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At the current price of \$32.28 the trailing P/E ratio is 12.71 times which is below the banking sector weighted average P/E of 15.31 times. FIRST's historic dividend yield is 4.12 per cent compared to the banking sector weighted average dividend yield of 4.00 per cent.

Financial Year End	September 30
Symbol on TTSE	FIRST
Issued Share Capital	251.35MM
Market Capitalization	\$8.79B
Current Price (as at February 23, 2017)	\$32.28
52 Week Price Range	\$29.50 - \$35.50
Trailing EPS	\$2.54
Trailing Price to Earnings Multiple	12.7 x
Current Book Value/Share	\$26.39
Price to Book	1.2 x
Return on Equity	11.1%
Return on Assets	1.9%
Dividend Yield	4.1%

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