

## First Citizens Bank Limited (FIRST) Results for the Year Ended September 30, 2018

### Key Points:

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

- their 25<sup>th</sup> anniversary this year
- Standard and Poor's affirmation of FIRST rating of BBB+ / A2 in October 2018
- the Group's growth was, in part driven by the customer loan and advances portfolio

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

### Basic Earnings Per Share (EPS):

FIRST reported an EPS of \$2.67, up 5.12 per cent or \$0.13 per share on the corresponding period's EPS of \$2.54 in YE17.

EPS recorded in Q4 2018 was \$0.82, which was the highest over the past six Q4 quarters.

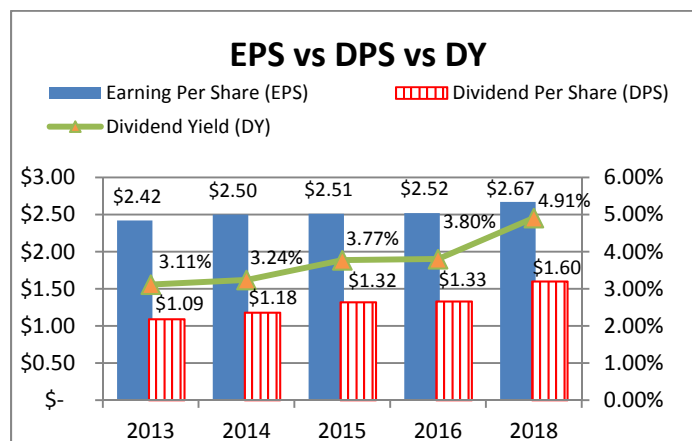
### Dividend:

The Board of Directors declared a final dividend of \$0.48 per share which brought the total dividend for the year to \$1.60 per share. The final dividend will be paid on January 30, 2019 to shareholders on record as at January 11, 2019. This year the company changed its dividend policy from semiannual to quarterly payments

Basic EPS	Q1	Q2	Q3	Q4	Total
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

Financial Year End	September 30
<b>Sector</b>	<b>Banking</b>
Symbol on TTSE	FIRST
Issued Share Capital	251.35MM
Market Capitalization	\$8.19B
Current Price (January 18, 2019)	\$34.05
52 Week Price Range	\$32.00 - \$35.01
Trailing EPS	\$2.67
Price to Earnings Multiple	12.75x
Current Book Value/Share	\$26.34
Price to Book	1.29x
Return on Equity	10.17%
Return on Assets	1.60%

Dividend	1st Interim	2nd Interim	3rd Interim	Final	Total	Dividend Yield
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%



### Income Statement as at September 30, 2018

	YE18	YE17	\$ Change	%	Change
	\$'000	\$'000	YE18 - YE17	Change	
Net Interest Income	1,558,950	1,418,351	140,599	9.91%	↑
Other Income	657,831	568,223	89,608	15.77%	↑
<b>Total Net Income</b>	<b>2,216,781</b>	<b>1,986,574</b>	<b>230,207</b>	<b>11.59%</b>	<b>↑</b>
Operating Expenses	(1,046,969)	(1,056,092)	(9,123)	-0.86%	↓
	<b>1,169,812</b>	<b>930,482</b>	<b>239,330</b>	<b>25.72%</b>	<b>↑</b>
Impairment Expenses					
Net Recoveries	(178,024)	(75,697)	102,327	135.18%	↑
<b>Operating Profit</b>	<b>991,788</b>	<b>854,785</b>	<b>137,003</b>	<b>16.03%</b>	<b>↑</b>
Share of Profit in					
Associates and Joint	18,238	21,597	(3,359)	-15.55%	↓
<b>Profit Before Taxation</b>	<b>1,010,026</b>	<b>876,382</b>	<b>133,644</b>	<b>15.25%</b>	<b>↑</b>
Taxation	(336,333)	(234,450)	101,883	43.46%	↑
<b>Profit After Taxation</b>	<b>673,693</b>	<b>641,932</b>	<b>31,761</b>	<b>4.95%</b>	<b>↑</b>
<b>EPS</b>	<b>\$2.67</b>	<b>\$2.54</b>	<b>\$0.13</b>	<b>5.12%</b>	<b>↑</b>

### Balance Sheet as at September 30, 2018

	YE18	YE17	\$ Change	% Change	Change	YE17
	\$'000	\$'000	YE18 - YE17	YE18 - YE17		\$'000
Total Assets	42,044,565	38,958,278	3,086,287	7.92%	↑	38,958,278
Total Liabilities	35,422,848	32,206,696	3,216,152	9.99%	↑	32,206,696
Total Equities	6,621,717	6,751,582	(129,865)	-1.92%	↓	6,751,582
	<b>42,044,565</b>	<b>38,958,278</b>	<b>3,086,287</b>			<b>38,958,278</b>

### Financials:

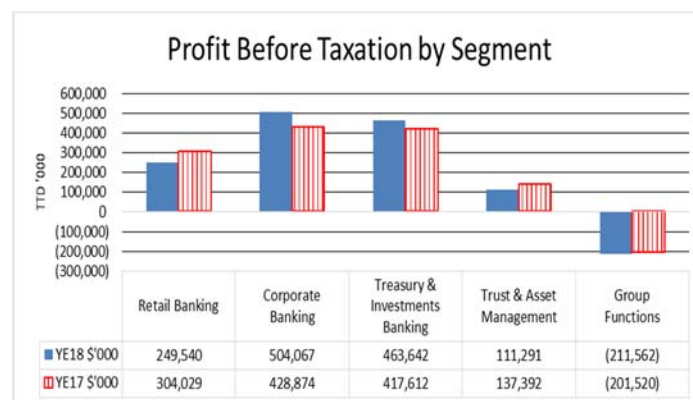
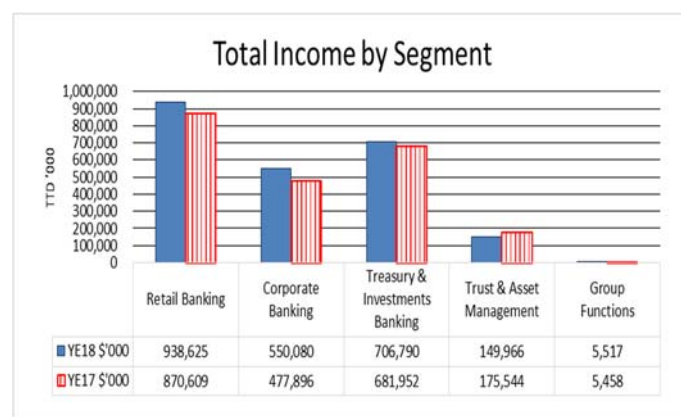
Total Net Income closed at \$2.22B, up 11.59 per cent or \$230.21MM from YE17's total of \$1.99B. Profit Before Tax for YE18 stands at \$1.01B, up 15.25 per cent or \$133.64MM from \$876.38MM in YE17. Profit After Tax totaled \$673.69MM in YE18 up 4.95 per cent or \$31.76MM from \$641.93MM in YE17.

Total Assets increased by 7.92 per cent or \$3.09B to \$42.04B in YE18. Total Liabilities amounted to \$35.42B in YE18 and Total Equities decreased by 1.92 per cent or \$129.87MM to close at \$6.62B.

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

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

At the current price of \$34.05 the trailing P/E ratio is 12.75 times which is below the banking sector weighted average P/E of 15.67 times. FIRST's dividend yield is 4.91 per cent compared to the banking sector weighted average dividend yield of 3.53 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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