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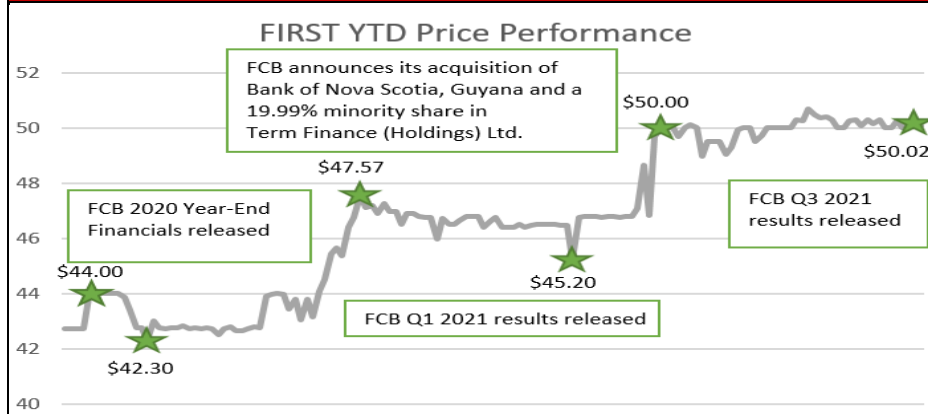
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# Quarterly Update

## First Citizens Bank Limited (FIRST) declares interim dividend of 37 cents per share

| FIRST's Financial Summary             | 9 Month Ended 30-Jun-21 | 9 Month Ended 30-Jun-20 | \$ change   | % change |
|---------------------------------------|-------------------------|-------------------------|-------------|----------|
| <b>Income Statement Extract</b>       |                         |                         |             |          |
|                                       | TT\$'000                | TT\$'000                | TT\$'000    |          |
| Profit after Tax                      | 487,428                 | 466,589                 | 20,839      | ↑ 4.5%   |
| Earnings per share                    | 1.93                    | 1.84                    | 0.09        | ↑ 4.9%   |
| Dividend per share (in \$ per share)  | \$ 0.37                 | \$ 0.92                 | (0.55)      | ↓ -59.8% |
| <b>Balance Sheet Extract</b>          |                         |                         |             |          |
| Total Assets                          | 46,838,148              | 46,655,962              | 182,186     | ↑ 0.4%   |
| Total Liabilities                     | 39,182,322              | 39,399,085              | (216,763)   | ↓ -0.6%  |
| Shareholder's Equity                  | 7,655,826               | 7,256,877               | 398,949     | ↑ 5.5%   |
| <b>Cash Flows Extract</b>             |                         |                         |             |          |
| Net cash from operating activities    | 710,296                 | 1,720,359               | (1,010,063) | ↓ -58.7% |
| Net cash from investing activities    | 1,167,600               | (1,736,429)             | 2,904,029   | ↑ 167.2% |
| Net cash used in financing activities | (555,179)               | 392,250                 | (947,429)   | ↑ 241.5% |
| Cash and cash equivalents             | 3,274,152               | 1,436,273               | 1,837,879   | ↑ 128.0% |
| <b>Metrics</b>                        |                         |                         |             |          |
| Book Value Per Share                  | 30.46                   | 28.87                   | 1.59        | ↑ 5.5%   |
| Market Price                          | 50.00                   | 45.88                   | 4.12        | ↑ 9.0%   |
| Market to Book Ratio                  | 1.64                    | 1.59                    | 0.05        | ↑ 3%     |

Note: Green arrows indicate growth while red indicate contractions



| Valuation             |           |
|-----------------------|-----------|
| Current Price         | TT\$50.09 |
| Trailing P/E Multiple | 19.77x    |
| Market to Book Value  | 1.64x     |
| JMMB Target Price     | TT\$46.70 |
| Dividend Yield        | 2.91%     |

For the nine-month period ended June 30 2021, First Citizens Bank Limited (FIRST) recorded a 4.5% increase in profit after tax to \$487.4 million from \$466.6 million in the prior year. This translates into a basic EPS of \$1.93 (Trailing EPS of \$2.53) at the end of the period. According to the Chairman's report, this improved results was driven by a reduction in impairment expenses along with the focus of controlling operating expenses despite increased costs associated with the enhanced COVID-19 protection measures.

Additionally, total assets increased marginally by 0.4% to \$46.8 billion from \$46.7 billion in the corresponding prior period. Given FIRST's financial performance over the period, an interim dividend of 37 cents per share was declared for the quarter ended June 30, 2021, payable on August 27, 2021.

### Outlook:

In August 2020, JMMB's Research Department recommended an **UNDERPERFORM** (2.5%-4.9% of your portfolio) rating on FIRST with a price target of \$40.29. The price of FIRST at that date was \$46.64, which was above our fair value range. Since that rating, FIRST's share price soared to a high of \$50.70 in July 2021, then closing at \$50.09 as at August 4, 2021.

We revise our rating on FIRST at **MARKETPERFORM** (5% of your portfolio) and revise our target price to \$46.70 (6.77% below the current price). The increase in the target price is based on an expected increase in earnings from the Bank in the coming year. Our EPS forecast for year ending September 2021 is \$2.85.