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A MEMBER OF THE JMMB GROUP

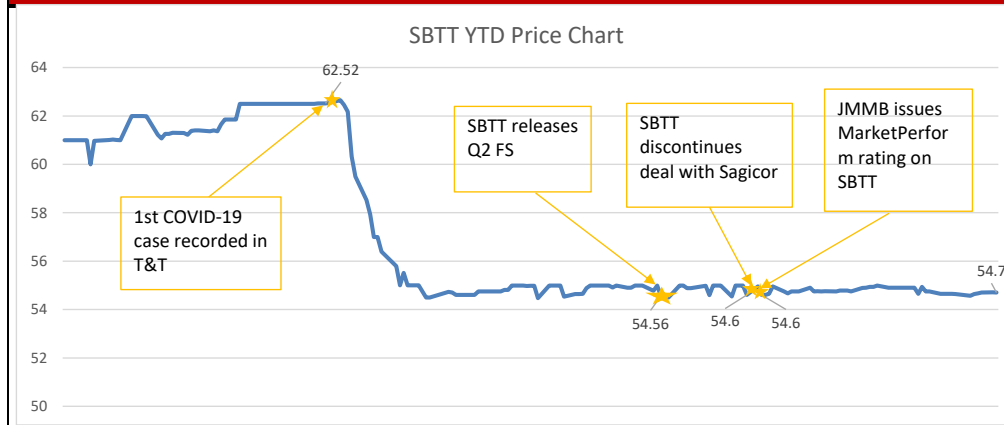
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Scotiabank Trinidad & Tobago Limited (SBTT) Profits down 30%

FIRST's Financial Summary	9 Month Ended 31-Jul-20	9 Month Ended 31-Jul-19	\$ change	% change
<u>Income Statement Extract</u>				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	366,138	523,596	(157,458)	↓ -30.1%
Earnings per share	2.08	2.97	(0.89)	↓ -30.1%
Dividend per share (in \$ per share)	\$ 1.40	\$ 1.50	(0.10)	↓ -6.7%
<u>Balance Sheet Extract</u>				
Total Assets	26,988,922	24,584,920	2,404,002	↑ 9.8%
Total Liabilities	22,916,407	20,467,400	2,449,007	↑ 12.0%
Shareholder's Equity	4,072,515	4,117,520	(45,005)	↓ -1.1%
<u>Cash Flows Extract</u>				
Net cash from operating activities	1,013,004	407,627	605,377	↑ 148.5%
Net cash from investing activities	(404,418)	(287,068)	(117,350)	↓ -40.9%
Net cash used in financing activities	(440,859)	(440,859)	-	→ 0.0%
Cash and cash equivalents	799,279	610,002	189,277	↑ 31.0%
<u>Metrics</u>				
Book Value Per Share	23.09	23.35	-0.26	↓ -1.1%
Market Price	54.75	59.73	-4.98	↓ -8.3%
Market to Book Ratio	2.37	2.56	-0.19	↓ -7%

Note: Green arrows indicate growth while red indicate contractions



Quarterly Update



Valuation	
Current Price	TT\$54.70
Trailing P/E Multiple	18.88x
Market to Book Value	2.37x
JMMB Target Price	TT\$51.72
Trailing Dividend Yield	5.3%

For the nine months ended July 31st 2020, Scotiabank Trinidad & Tobago Limited (SBTT) realized profit attributable to equity holders of \$366.1 million, a decline of 30.1% or \$157.5 million when compared to the prior year. This translates into a basic EPS of \$2.08 (Trailing EPS - \$2.90) at the end of the period. SBTT's quarter and year to date performance has been impacted by reduced economic activity, which has resulted in reduced revenues. Additionally, there was a \$102 million increase in net impairment loss on financial assets. This was done to cover potential future loan losses that could arise due to the impact of COVID-19 on the Trinidad and Tobago economy.

Total assets stood at \$27 billion as at July 31, 2020, an increase of 9.8% over the previous year. This was mainly due to growth in SBTT's Loan portfolio of \$1.3 Billion (8.5%). The growth was funded by a \$2.2 billion increase in deposits from customers. The Board has declared an interim dividend of \$0.40 per ordinary share, which brings the total interim dividend for the nine-month period to \$1.40, a 7% decline when compared to the corresponding period in 2019. The dividend will be paid on 12th October 2020, to shareholders on record as at 21st September 2020.

Outlook:

JMMB research department on July 7th, 2020, issued a MARKETPERFORM (5% of your portfolio) rating on SBTT with a price target of \$54.42. The price of SBTT at that date was \$54.60, which was within our fair value range. Since that rating, SBTT's share price has remained steady, increasing by only \$0.10.

We maintain our rating on SBTT at MARKETPERFORM (5% of your portfolio) and revise our target price to \$51.72 (representing a 5.4% downside from the current price). The decrease in the target price is based on the cut in dividend (which we expect will be temporary) and a decline in earnings expectations as a result of a threat of a second lockdown due to community spread in Trinidad and Tobago. Our EPS forecast for year ending October 2020 is \$2.83.