

Scotiabank Trinidad and Tobago Limited (SBTT) Results for the Year Ended October 31, 2020

Key Points:

- Scotiabank Trinidad and Tobago Limited (SBTT) increased their expected credit losses by over \$86MM over the previous year to position the Bank for potential future credit losses that could arise due to the impact of COVID-19 in Trinidad and Tobago.
- In response to lower revenue arising out of the impact from COVID-19, the Group focused on controlling its non-interest expenses resulting in a decline of 7 per cent between the first quarter and the average quarterly non-interest expense base for the final three quarters of 2020.
- SBTT continues to invest in its digital and ATM platforms to provide customers with additional channels to conduct their banking needs in a safe, secure and efficient manner. The Intelligent Deposit Machines have new functionalities for additional types of transactions to be done at the ATM, eliminating the need to do these at the teller. SBTT also expanded its ATM footprint by adding new ATM locations across Trinidad and Tobago.

Earnings Per Share (EPS):

SBTT reported an EPS of \$0.88 in Q4 2020, bring the total EPS for YE20 to \$2.95, down 22.08 per cent or \$0.84 per share on the corresponding period's EPS of \$3.79 in YE19. The EPS recorded in Q4 2020 of \$0.88 was the highest quarterly EPS for the 2020 fiscal.

Dividend:

The Board of Directors declared a final dividend of \$0.85 per share, which will be paid on January 11, 2021 to shareholders on record as at December 21st, 2020. This brings the total dividend for the year ended 2020 to \$2.25 per share, down 25.0 per cent or \$0.75 on 2019's year ended total dividend of \$3.00 per share. Between FY 2013 & 2020 the Group has shown an average dividend payout ratio of 77.04 per cent.

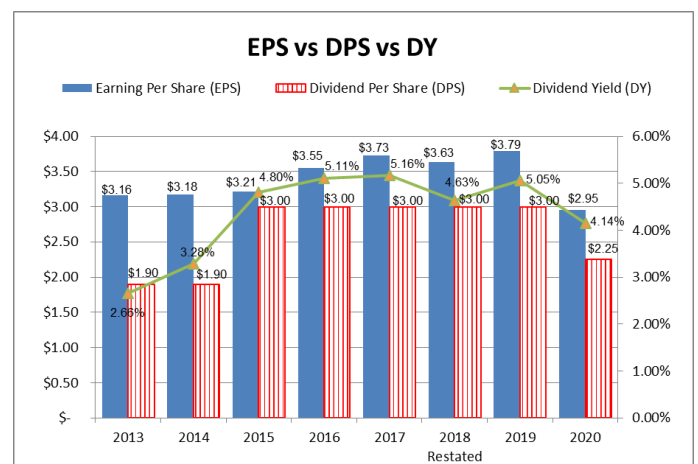
Industry:

At the current price of \$54.01 the P/E ratio is 18.29 times which is above the banking sector weighted average P/E of 18.06 times. SBTT dividend yield as at December 23, 2020 was 4.17 per cent, which is above the banking sector weighted average dividend yield of 3.23 per cent.

EPS	Q1	Q2	Q3	Q4	Total
2020	0.810	0.676	0.590	0.877	2.95
2019	1.046	0.898	1.025	0.821	3.79
2018 Restated	0.824	0.914	1.016	0.880	3.63
2018	0.838	0.914	1.030	0.872	3.65
2017	0.966	0.921	0.985	0.857	3.73
2016	0.891	0.854	0.902	0.898	3.55
2015	0.764	0.708	0.892	0.849	3.21
2014	0.818	0.598	0.796	0.963	3.18
2013	0.814	0.725	0.759	0.862	3.16

Financial Year End	October 31
Sector	Banking
Symbol on TTSE	SBTT
Issued Share Capital	176.34MM
Market Capitalization	\$9.58B
Current Price (December 23, 2020)	\$54.01
52 Week Price Range	\$54.00 - \$62.65
Earnings Per Share (EPS)	\$2.95
Price to Earnings Multiple	18.29x
Current Book Value/Share	\$23.66
Price to Book	2.28x
Return on Equity	12.47%
Return on Assets	1.97%

Dividend	1st Interim	2nd Interim	3rd Interim	4th Interim	Special	Total	Dividend Yield
2020	0.60	0.40	0.40	0.85	0.00	2.25	4.14%
2019	0.50	0.50	0.50	1.50	0.00	3.00	5.05%
2018	0.50	0.50	0.50	1.50	0.00	3.00	4.63%
2017	0.50	0.50	0.50	0.50	1.00	3.00	5.16%
2016	0.40	0.40	0.40	0.80	1.00	3.00	5.11%
2015	0.40	0.40	0.40	0.70	1.10	3.00	4.80%
2014	0.40	0.40	0.40	0.70	0.00	1.90	3.28%
2013	0.40	0.40	0.40	0.40	0.30	1.90	2.66%



Income Statement for the period ending October 31 2020

	YE20	YE19	\$ Change	% Change	Change	YE18
	\$'000	\$'000	YE20 - YE19	YE20 - YE19		\$'000
Income						
Net Interest Income	1,313,052	1,326,018	(12,966)	-0.98%	↓	1,288,538
Net Other Income	465,070	534,704	(69,634)	-13.02%	↓	544,456
Total Revenue	1,778,122	1,860,722	(82,600)	-4.44%	↓	1,832,994
Total Non-Interest Expenses	757,343	767,125	(9,782)	-1.28%	↓	736,963
Net Impairment loss on financial assets	229,917	144,346	85,571	59.28%	↑	138,588
Income Before Taxation	790,862	949,251	(158,389)	-16.69%	↓	957,443
Provision for Taxation	270,060	280,923	(10,863)	-3.87%	↓	316,677
Income After Taxation	520,802	668,328	(147,526)	-22.07%	↓	640,766
EPS (cents)	295.3	379.0	(83.7)	-22.08%	↓	363.4

Balance Sheet as at October 31 2020

	YE20	YE19	\$ Change	% Change	Change	YE18
	\$'000	\$'000	YE20 - YE19	YE20 - YE19		\$'000
Total Assets	27,503,678	25,413,454	2,090,224	8.22%	↑	23,373,349
Total Liabilities	23,332,053	21,231,346	2,100,707	9.89%	↑	19,360,250
Total Equity	4,171,625	4,182,108	(10,483)	-0.25%	↓	4,013,099
	27,503,678	25,413,454	2,090,224			23,373,349

Financials:

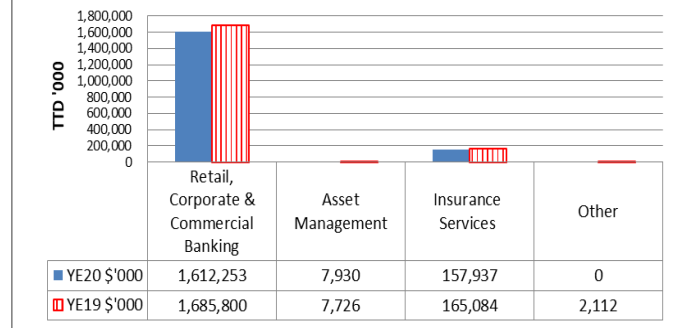
- Total revenue closed at \$1.78B, down 4.44 per cent or \$82.60MM from YE19's total of \$1.86B. This was due to the reduced economic activity over the last 7 months.
- Total Non-Interest Expenses decreased by 1.28 per cent or \$9.78MM to end at \$757.34MM in YE20.
- Income Before Taxation (IBT) for YE20 stands at \$790.86MM, down 16.69 per cent or \$158.39MM from \$949.25MM in YE19.
- Income After Taxation (IAT) totaled \$520.80MM in YE20, down 22.07 per cent or \$147.53MM from \$668.33MM in YE19.
- Total Assets increased by 8.22 per cent or \$2.09B to \$27.50B in YE20, which was driven by increased customer deposits and loan portfolio, signaling continued confidence in the strength of the Group.
- Total Liabilities increased by 9.89 per cent in YE20 and Total Equity fell by 0.25 per cent or \$10.48MM to close at 4.17B.

Segments:

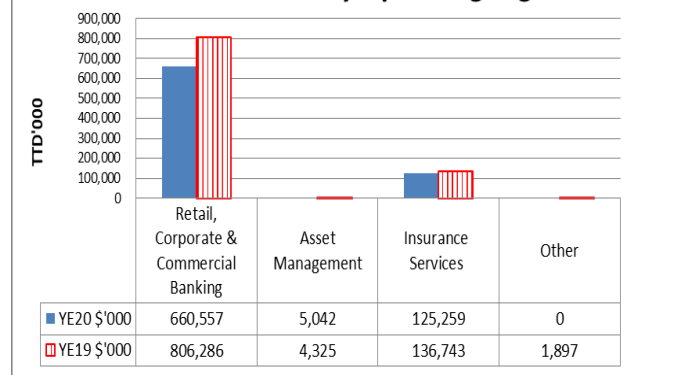
The Retail, Corporate & Commercial Banking segment was the major contributor to the Group's Total Revenue with 90.67 per cent, followed by the Insurance Services segment representing 8.88 per cent. In third place was the Asset Management segment holding 0.45 per cent of the Group's Total Revenue.

The major contributor to the Group's Income Before Tax (IBT) was the Retail, Corporate & Commercial Banking segment representing 83.52 per cent. In second place was Insurance Services with 15.84 per cent, followed by the Asset Management segment holding 0.64 per cent of the Group's IBT.

Total Revenue by Operating Segment



Income before Tax by Operating Segment



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