

Scotiabank Trinidad and Tobago Limited (SBTT) Results for the First Quarter Ended January 31, 2021

Key Points:

- The Group's performance was mainly driven by the reduction in net impairment losses as SBTT continues to take a prudent approach to loan loss provisioning within the economic climate.
- SBTT has recorded growth in new business in their retail and commercial segments and has seen all-time highs in their key customer service metrics.
- The Group continues to focus on investing and growing its operations and technology by expanding in non-branch ATMs, extensive promotion and the use of digital banking channels to efficiently facilitate their customers' banking needs in a secured banking manner.
- With Scotiabank's recent announcement of the sale of its Guyana's banking operations to First Citizens Bank Limited pending regulatory approval and customary closing conditions, Derek Hudson, Chairman of Scotiabank Trinidad and Tobago indicated that the bank still remains committed to the Caribbean and continues to modernize its branch network.

Earnings Per Share (EPS):

SBTT reported an EPS of \$0.83 in Q1 2021, up 2.22 per cent or \$0.02 per share on the corresponding period's EPS of \$0.81 in Q1 2020.

Dividend:

The Board of Directors declared an interim dividend of \$0.60 per share, which will be paid on April 12th, 2021 to shareholders on record as at March 22nd, 2021. Between FY 2013 & 2021 the Group has shown an average dividend payout ratio of 76.53 per cent.

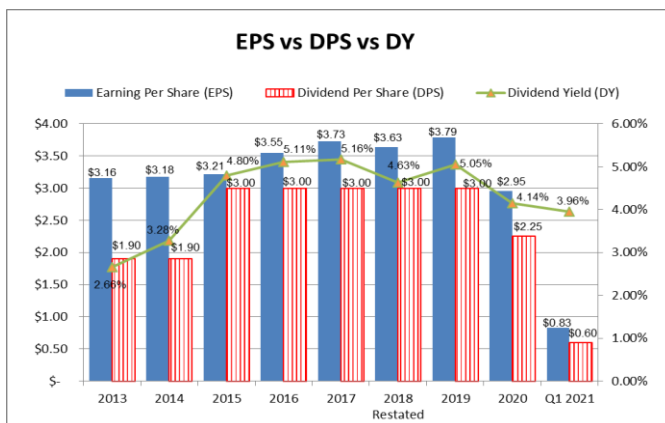
Industry:

At the current price of \$55.62 the trailing P/E ratio is 18.72 times which is below the banking sector weighted average P/E of 19.35 times. SBTT historic dividend yield as at March 15, 2021 was 4.05 per cent, which is above the banking sector weighted average dividend yield of 2.87 per cent.

| EPS | Q1 | Q2 | Q3 | Q4 | Total |
|---------------|-------|-------|-------|-------|-------|
| 2021 | 0.828 | | | | 0.83 |
| 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 | \$10.02B |
| Current Price (March 15, 2021) | \$55.62 |
| 52 Week Price Range | \$54.00 - \$62.65 |
| Trailing Earnings Per Share (EPS) | \$2.97 |
| Trailing Price to Earnings Multiple | 18.72x |
| Current Book Value/Share | \$23.60 |
| Price to Book | 2.36x |
| Return on Equity | 14.02% |
| Return on Assets | 2.13% |

| Dividend | 1st Interim | 2nd Interim | 3rd Interim | 4th Interim | Special | Total | Dividend Yield |
|----------|-------------|-------------|-------------|-------------|---------|-------|----------------|
| 2021 | 0.60 | | | | | 0.60 | 3.96% |
| 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 January 31 2021 | | | | | | |
|--|----------------|----------------|-----------------|---------------|--------|------------------|
| | Q121 | Q120 | \$ Change | % Change | | |
| | \$'000 | \$'000 | Q121 - Q120 | Q121 - Q120 | Change | YE20 |
| | | | \$'000 | | | \$'000 |
| Revenue | | | | | | |
| Net Interest Income | 317,360 | 339,396 | (22,036) | -6.49% | ↓ | 1,313,052 |
| Net Other Income | 123,828 | 136,790 | (12,962) | -9.48% | ↓ | 465,070 |
| Total Revenue | 441,188 | 476,186 | (34,998) | -7.35% | ↓ | 1,778,122 |
| Expenses | | | | | | |
| Non-Interest Expenses | 200,019 | 210,477 | (10,458) | -4.97% | ↓ | 757,343 |
| Net Impairment loss on financial assets | 22,815 | 52,035 | (29,220) | -56.15% | ↓ | 229,917 |
| Income Before Taxation | 218,354 | 213,674 | 4,680 | 2.19% | ↑ | 790,862 |
| Income tax expense | 72,357 | 70,910 | 1,447 | 2.04% | ↑ | 270,060 |
| Income After Taxation | 145,997 | 142,764 | 3,233 | 2.26% | ↑ | 520,802 |
| EPS (cents) | 82.8 | 81.0 | 1.8 | 2.22% | ↑ | 295.3 |

| Balance Sheet as at January 31 2021 | | | | | | |
|-------------------------------------|-------------------|-------------------|----------------|--------------|--------|-------------------|
| | Q121 | Q120 | \$ Change | % Change | | |
| | \$'000 | \$'000 | Q121 - Q120 | Q121 - Q120 | Change | YE20 |
| | | | \$'000 | | | \$'000 |
| Total Assets | 27,414,201 | 26,961,739 | 452,462 | 1.68% | ↑ | 27,503,678 |
| Total Liabilities | 23,252,439 | 22,912,371 | 340,068 | 1.48% | ↑ | 23,332,053 |
| Total Equity | 4,161,762 | 4,049,368 | 112,394 | 2.78% | ↑ | 4,171,625 |
| | 27,414,201 | 26,961,739 | 452,462 | | | 27,503,678 |

Financials:

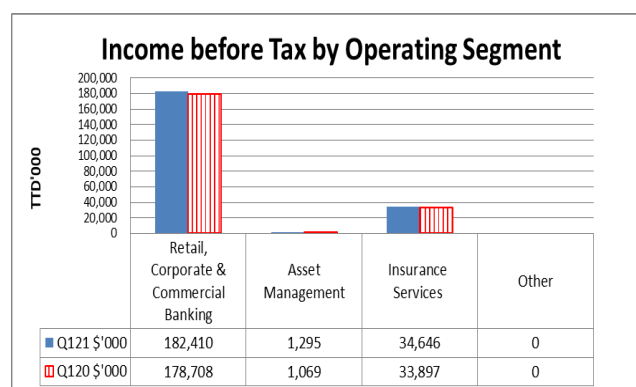
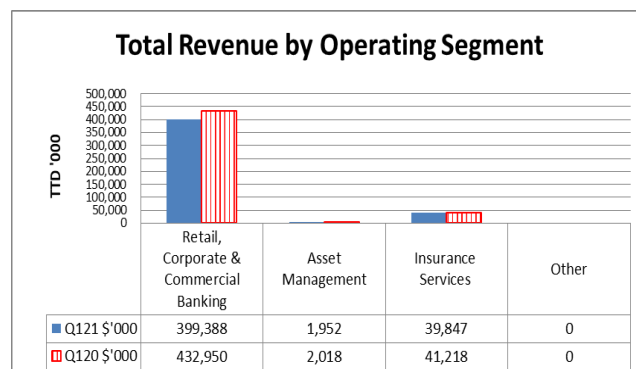
- Total revenue closed at \$441.19MM, down 7.35 per cent or \$35.00MM from Q120's total of \$476.19MM.
- Non-Interest Expenses decreased by 4.97 per cent or \$10.46MM to end at \$200.02MM in Q121.
- Income Before Taxation (IBT) for Q121 stood at \$218.35MM, up 2.19 per cent or \$4.68MM from \$213.67MM in Q120.
- Income After Taxation (IAT) totaled \$146.00MM in Q121, an increase of 2.26 per cent or \$3.23MM from \$142.76MM in Q120.
- Total Assets increased by 1.68 per cent or \$452.46MM to \$27.41B in Q121 which was driven by increased customer deposits and the Group's new loan portfolio, signaling continued confidence in the strength of the Group.
- Total Liabilities increased by 1.48 per cent in Q121 and Total Equity rose by 2.78 per cent or \$112.39MM to close at 4.16B.

Segments:

The Retail, Corporate & Commercial Banking segment was the major contributor to the Group's Total Revenue with 90.53 per cent, followed by the Insurance Services segment representing 9.03 per cent. In third place was the Asset Management segment holding 0.44 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 83.54 per cent. In second place was Insurance Services with 15.87 per cent,

followed by the Asset Management segment holding 0.59 per cent of the Group's IBT.



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