

## Media Release

For the Quarter ended 30 April, 2021

For further information, contact: Adrian Lezama, AGM Finance, Tel: 868-625-3566 ext. 2300

## Scotiabank Reports Second Quarter Results - with improvements in income and profit

### SECOND QUARTER HIGHLIGHTS

	SIX MONTHS ENDED 30 APRIL 2021	SIX MONTHS ENDED 30 APRIL 2020
Income after Taxation	<b>\$305 million</b>	<b>\$262 million</b>
Dividends per share	<b>120.0c</b>	<b>100.0c</b>
Earnings per share	<b>172.7c</b>	<b>148.6c</b>
Return on Equity	<b>14.54%</b>	<b>12.76%</b>
Return on Assets	<b>2.23%</b>	<b>2.02%</b>

Scotiabank Trinidad and Tobago Limited (The Group) has realized income after tax of \$159 million, an increase of \$39 million or 33% over the second quarter ended 30 April 2020. For the half-year period ended 30 April 2021, the Group realized after tax profit of \$305 million, an increase of \$42 million or 16% over the comparative half-year period.

The increase in profitability was driven by effective cost management strategies combined with lower impairment losses.

The economic and social environment in which we operate remains challenging and continues to impact both business and households in the country. In response to these challenges, we continue to drive our strategic agenda to reshape the way we

do business to better serve our customers safely and securely.

For the six months ended 30 April 2021, total revenues of \$869 million declined by \$46 million or 5% with net interest income reducing by \$43 million or 6%, as a result of a decline in our loan portfolio during that period. Other income, however, has consistently increased over the last three quarters (August 2020 to April 2021) since hitting post-COVID lows in July 2020 and has only declined by \$3 million or 1% over the comparative six-month prior period. In response to the declines in revenue, the Group has focussed on controlling its operating expense base, resulting in non-interest expenses reducing by \$29 million or 7% for the six-month period ended 30 April 2021.

**“ While we continue to feel the socio-economic impact of the COVID-19 crisis, we remain confident in the Bank’s strength and stability.”**

## Media Release

For the Quarter ended 30 April, 2021

Our prudent risk management strategies and pro-active measures taken in 2020 to mitigate credit losses have resulted in a significant reduction in our impairment loss expense. For the six months ended 30 April 2021, net impairment losses on financial assets have declined by \$81 million or 71% whilst our ratio of non-accrual loans to total loans currently stands at 2.06%.

Total assets stood at \$27.6 billion, representing growth of \$779 million or 3% compared to the prior year's period. The challenging environment has resulted in loans declining by approximately \$760 million or 5%, with our retail loan portfolio being most impacted by the economic uncertainty and reduced levels of spending. The Group continues to see customers confidently invest with us as deposits from customers increased by \$360 million or 2% over the prior year. Our Insurance segment also continues to show growth in increased policy sales, resulting in a \$90 million or 6% increase in policyholder liabilities over the prior year.

Commenting on the results, newly appointed Managing Director of Scotiabank Trinidad and Tobago Limited, Gayle Pazos, remarked:

***"Our results to the end of April 2021 have continued a trend of improvement noted in the first quarter. Notwithstanding the setbacks experienced in Trinidad and Tobago over the last few months, our team and customers have risen to the challenge and really demonstrated their resilience. Our efforts to support customers, employees, and the broader community throughout the pandemic have resulted in us being named the Best Bank 2021 in Trinidad and Tobago by Global Finance."***

***At the core of helping our customers is our most valuable asset, our employees. Throughout the pandemic we have continued to empower and invest in our employees as we firmly believe that their success is our success. It is this commitment to our employees that helped Scotiabank Trinidad and Tobago earn the recognition of one of the Best Workplaces™ in the Caribbean and Central America for 2021 by Great Place to Work®.***

***We understand the role we play in helping our communities during this time. Over 1,000 students have been assisted with access to online learning so that they can continue with their studies. We also committed to continuing to provide meals on a daily basis in supporting our frontline medical personnel who are courageously helping the country battle this pandemic. Most recently, we have collaborated with UNICEF on its COVID-19 vaccination rollout and preparedness programmes.***

***While the economic impact of the COVID-19 crisis is still being felt, we have supported and continue to support you during this time. For those customers who may be experiencing a loss or reduction in income as a result of the COVID-19 pandemic, please reach out to us so we can provide you with various relief options depending on your personal financial situation.***

***I encourage you to #StayHome and #StaySafe and do your day to day banking through our safe and secure digital channels. I am extremely proud to come back home to lead the Scotiabank Trinidad and Tobago team and I thank our staff for all that they continue to achieve during these challenging times."***

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2021

**Scotiabank**™

## To Our Shareholders

The Directors are pleased to announce that for the quarter ended 30 April 2021, Scotiabank Trinidad and Tobago Limited (The Group) has realized income after tax of \$159 million, an increase of \$39 million or 33% over the second quarter ended 30 April 2020. For the half-year period ended 30 April 2021, the Group realized after tax profit of \$305 million, an increase of \$42 million or 16% over the comparative half-year period. This increase in profitability was driven by effective cost management strategies combined with lower impairment losses.

The economic and social environment in which we operate remains challenging and continues to impact both business and households in the country. In response to these challenges, we continue to drive our strategic agenda to reshape the way we do business to better serve our customers safely and securely.

For the six months ended 30 April 2021, total revenues of \$869 million declined by \$46 million or 5% with net interest income reducing by \$43 million or 6%, as a result of a decline in our loan portfolio. Other income, however, has consistently increased over the last three quarters (August 2020 to April 2021) since hitting post-COVID lows in July 2020 and has only declined by \$3 million or 1% over the comparative six-month prior period. In response to the declines in revenue, the Group has focused on controlling its operating expense base, resulting in non-interest expenses reducing by \$29 million or 7% for the six-month period ended 30 April 2021.

Our prudent risk management strategies and pro-active measures taken in 2020 to mitigate credit losses have resulted in a significant reduction in our impairment loss expense. For the six months ended 30 April 2021, net impairment losses on financial assets have declined by \$81 million or 71%, whilst our ratio of non-accrual loans to total loans currently stands at 2.06%.

Total assets stood at \$27.6 billion, representing growth of \$779 million or 3% compared to the prior year's period. The challenging environment has resulted in loans declining by approximately \$760 million or 5%, with our retail loan portfolio being most impacted by the economic uncertainty and reduced levels of spending. The Group continues to see customers confidently invest with us as deposits from customers increased by \$360 million or 2% over the prior year. Our Insurance segment also continues to show growth in increased policy sales, resulting in a \$90 million or 6% increase in policyholder liabilities over the prior year.

The Group continues to enhance its digital offerings, from mobile and online banking channels to digital products and services, including cash management and wealth solutions. These capabilities are critical to ensure the safety of our staff and customers as we are required to #StayHomeStaySafe as part of the public health guidelines.

Based on these results, the Directors have approved an interim dividend per share of 60 cents this quarter, compared to 40 cents per share for the quarter ended 30 April 2020. These dividends will be payable on 19 July 2021 to shareholders on record as at 28 June 2021.

June 15, 2021



Derek Hudson  
Chairman



Gayle Pazos  
Managing Director

### Consolidated statement of financial position (stated in '\$'000)

	UNAUDITED As at 30 April 2021	UNAUDITED As at 30 April 2020	AUDITED As at 31 October 2020
<b>ASSETS</b>			
Cash on hand and in transit	\$ 162,196	\$ 245,595	\$ 150,566
Loans and advances to banks and related companies	915,871	750,737	437,537
Treasury bills	3,208,235	3,499,126	3,455,229
Deposits with Central Bank	3,657,870	3,062,490	4,357,607
Loans to customers	16,117,504	16,877,466	16,274,409
Investment securities	2,978,029	1,794,542	2,140,181
Investment in associated companies	40,421	36,883	38,243
Deferred tax assets	112,487	101,531	143,108
Property and equipment	382,377	393,575	398,499
Miscellaneous assets	34,064	53,493	87,639
Defined benefit pension fund asset	25,202	40,301	12,793
Goodwill	2,951	2,951	2,951
Taxation recoverable	4,916	4,916	4,916
<b>TOTAL ASSETS</b>	<b>27,642,123</b>	<b>\$ 26,863,606</b>	<b>\$ 27,503,678</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits from customers	20,745,052	20,384,993	20,868,861
Deposits from banks and related companies	38,033	39,400	45,767
Other liabilities	685,178	587,681	574,996
Taxation payable	57,017	50,638	77,207
Policyholders' funds	1,613,550	1,523,141	1,558,656
Post-employment medical and life benefits obligation	161,852	152,755	154,260
Deferred tax liabilities	65,270	46,367	52,306
<b>TOTAL LIABILITIES</b>	<b>23,365,952</b>	<b>22,784,975</b>	<b>23,332,053</b>
<b>EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	814,514	794,012	804,514
Investment revaluation reserve	58,846	20,099	11,000
Retained earnings	3,135,248	2,996,957	3,088,548
<b>TOTAL EQUITY</b>	<b>4,276,171</b>	<b>4,078,631</b>	<b>4,171,625</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 27,642,123</b>	<b>\$26,863,606</b>	<b>\$ 27,503,678</b>

### Consolidated statement of income (stated in '\$'000)

	UNAUDITED Three months ended 30 April 2021	UNAUDITED Three months ended 30 April 2020	UNAUDITED Six months ended 30 April 2021	UNAUDITED Six months ended 30 April 2020	AUDITED Year ended 31 October 2020
<b>REVENUE</b>					
Net Interest Income	\$ 303,147	\$ 324,226	\$ 620,507	\$ 663,620	\$ 1,313,052
Other Income	124,364	114,500	248,192	251,290	465,070
<b>Total Revenue</b>	<b>427,511</b>	<b>438,726</b>	<b>868,699</b>	<b>914,910</b>	<b>1,778,122</b>
<b>EXPENSES</b>					
Non-Interest Expenses	173,759	192,581	373,778	403,058	757,343
Net impairment loss on financial assets	11,680	67,016	34,495	119,051	229,917
<b>INCOME BEFORE TAXATION</b>	<b>242,072</b>	<b>179,129</b>	<b>460,426</b>	<b>392,801</b>	<b>790,862</b>
Income tax expense	83,507	59,819	155,864	130,729	270,060
<b>INCOME AFTER TAXATION</b>	<b>\$ 158,565</b>	<b>\$ 119,310</b>	<b>\$ 304,562</b>	<b>\$ 262,072</b>	<b>\$ 520,802</b>
Dividends per share	60.0c	40.0c	120.0c	100.0c	225.0c
Earnings per share	89.9c	67.7c	172.7c	148.6c	295.3c

### Consolidated statement of total comprehensive income (stated in '\$'000)

	UNAUDITED Three months ended 30 April 2021	UNAUDITED Three months ended 30 April 2020	UNAUDITED Six months ended 30 April 2021	UNAUDITED Six months ended 30 April 2020	AUDITED Year ended 31 October 2020
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 158,565</b>	<b>\$ 119,310</b>	<b>\$ 304,562</b>	<b>\$ 262,072</b>	<b>\$ 520,802</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Remeasurement of post-employment benefits asset/obligation, net of tax	7,836	12,885	7,836	12,885	(2,677)
Fair value remeasurement of debt instruments at FVOCI, net of tax	53,814	2,876	47,846	(8,112)	(17,211)
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>\$ 220,215</b>	<b>\$ 135,071</b>	<b>\$ 360,244</b>	<b>\$ 266,845</b>	<b>\$ 500,914</b>

### Consolidated statement of cash flows (stated in '\$'000)

	UNAUDITED Six months ended 30 April 2021	UNAUDITED Six months ended 30 April 2020	AUDITED Year ended 31 October 2020
<b>Cash flows from operating activities</b>			
Net income after taxes	\$ 304,562	\$ 262,072	\$ 520,802
Change in loans to customers	188,157	(795,677)	(183,199)
Change in deposits from customers	(125,284)	1,345,428	1,833,453
Taxation paid	(143,567)	(146,246)	(301,511)
Other adjustments to reconcile income after taxation to net cash from operating activities	442,631	488,973	585,478
<b>Net cash from operating activities</b>	<b>\$ 666,499</b>	<b>\$ 1,154,550</b>	<b>\$ 2,455,023</b>
<b>Cash flows used in investing activities</b>			
Change in Treasury Bills with original maturity date due over 3 months	\$ 246,994	\$ 377,083	\$ 103,955
Change in investments	(807,391)	(383,270)	(729,314)
Purchase of property and equipment	(4,510)	(9,877)	(28,737)
Proceeds from disposal of property and equipment	-	14,000	14,000
<b>Net cash used in investing activities</b>	<b>\$ (564,907)</b>	<b>\$ (2,064)</b>	<b>\$ (640,096)</b>
<b>Cash flows used in financing activities</b>			
Payment of lease liabilities	(9,600)	(9,260)	(21,259)
Dividends paid	(255,698)	(370,322)	(511,397)
<b>Net cash used in financing activities</b>	<b>\$ (265,298)</b>	<b>\$ (379,582)</b>	<b>\$ (532,656)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>\$ (163,706)</b>	<b>\$ 772,904</b>	<b>\$ 1,282,271</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>2,574,683</b>	<b>1,292,412</b>	<b>1,292,412</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,410,977</b>	<b>\$ 2,065,316</b>	<b>\$ 2,574,683</b>
<b>Cash and cash equivalents</b>			
Cash on hand and in transit	\$ 162,196	\$ 245,595	\$ 150,566
Loans and advances to banks and related companies	915,871	750,737	437,537
Treasury Bills with original maturity date not exceeding 3 months	-	317,024	-
Surplus deposits with Central Bank	1,332,910	751,960	1,986,580
<b>Cash and cash equivalents</b>	<b>\$ 2,410,977</b>	<b>\$ 2,065,316</b>	<b>\$ 2,574,683</b>

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2021

**Scotiabank**™

## Consolidated statement of changes in equity (stated in \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>UNAUDITED</b> <b>Six months ended 30 April 2021</b>					
<b>Balance as at 31 October 2020</b>	267,563	804,514	11,000	3,088,548	4,171,625
Net income for the year	-	-	-	304,562	304,562
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	47,846	-	47,846
- Remeasurement of post-employment benefits asset/liability	-	-	-	7,836	7,836
<b>Total comprehensive income</b>	\$ -	-	47,846	312,398	360,244
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	10,000	-	(10,000)	-
Dividends paid	-	-	-	(255,698)	(255,698)
	-	10,000	-	(265,698)	(255,698)
<b>Balance as at 30 April 2021</b>	\$ 267,563	814,514	58,846	3,135,248	4,276,171
<b>UNAUDITED</b> <b>Six months ended 30 April 2020</b>					
<b>Balance as at 31 October 2019</b>	267,563	734,012	28,211	3,152,322	4,182,108
Net income for the year	-	-	-	262,072	262,072
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	(8,112)	-	(8,112)
- Remeasurement of post-employment benefits asset/liability	-	-	-	12,885	12,885
<b>Total comprehensive income</b>	\$ -	-	(8,112)	274,957	266,845
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	60,000	-	(60,000)	-
Dividends paid	-	-	-	(370,322)	(370,322)
	-	60,000	-	(430,322)	(370,322)
<b>Balance as at 30 April 2020</b>	\$ 267,563	794,012	20,099	2,996,957	4,078,631
<b>AUDITED</b> <b>Year ended 31 October 2020</b>					
<b>Balance as at 31 October 2019</b>	267,563	734,012	28,211	3,152,322	4,182,108
Net income for the year	-	-	-	520,802	520,802
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	(17,211)	-	(17,211)
- Remeasurement of post-employment benefits asset/liability	-	-	-	(2,677)	(2,677)
<b>Total comprehensive income</b>	\$ -	-	(17,211)	518,125	500,914
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	70,502	-	(70,502)	-
Dividends paid	-	-	-	(511,397)	(511,397)
	-	70,502	-	(581,899)	(511,397)
<b>Balance as at 31 October 2020</b>	\$ 267,563	804,514	11,000	3,088,548	4,171,625

## Segment reporting (stated in \$'000)

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
<b>UNAUDITED</b> <b>Six months ended 30 April 2021</b>					
<b>Total Revenue</b>	\$ 785,431	3,867	79,400	-	868,699
<b>Material non-cash items</b>					
Depreciation	15,256	-	-	-	15,256
<b>Income before taxation</b>	\$ 390,205	2,589	67,630	-	460,426
<b>Assets</b>	\$ 16,117,504	37,421	2,510,753	8,976,444	27,642,123
<b>Liabilities</b>	\$ 20,745,052	538	1,663,853	956,509	23,365,952
<b>UNAUDITED</b> <b>Six months ended 30 April 2020</b>					
<b>Total Revenue</b>	\$ 827,267	4,034	83,609	-	914,910
<b>Material non-cash items</b>					
Depreciation	15,410	-	-	-	15,410
<b>Income before taxation</b>	\$ 322,644	2,455	67,701	-	392,801
<b>Assets</b>	\$ 16,877,466	37,526	2,306,375	7,642,240	26,863,606
<b>Liabilities</b>	\$ 20,384,993	576	1,594,459	804,947	22,784,975
<b>AUDITED</b> <b>Year ended 31 October 2020</b>					
<b>Total Revenue</b>	\$ 1,612,253	7,930	157,937	-	1,778,122
<b>Material non-cash items</b>					
Depreciation	30,439	-	-	-	30,439
<b>Income before taxation</b>	\$ 660,557	5,042	125,259	-	790,862
<b>Assets</b>	\$ 16,274,409	40,420	2,350,942	8,837,907	27,503,678
<b>Liabilities</b>	\$ 20,868,861	555	1,606,548	856,089	23,332,053

## Significant Accounting Policies:

### Basis of preparation

These financial statements, in all material aspects, have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are the same as were followed in the financial statements as at 31 October 2020.

### Comparative information

Comparative amounts have been restated to conform to presentation changes in the current financial period.