

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2018



To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of \$148 million for the quarter ended 31 January 2018, a decrease of \$23 million or 13% over the same period last year. This decline in profitability is driven by higher loan losses as a result of the challenging economic environment in which we operate and the effect of the higher corporation tax rate being levied on banks in 2018.

The Group recorded higher net interest income of \$14 million or 5% over the prior year driven by higher retail loan volumes and higher interest income from investment securities. This was largely offset by lower income from other fee income lines. Total assets at \$23.7 billion increased by \$57 million when compared to same time last year.

The Group continues to maintain a stable cost base as evidenced by a low productivity ratio of 39%. Loan loss expenses increased by \$17 million when compared to the same period last year as the Group continues to exercise a prudent risk management approach in managing its loan loss provisioning in this challenging economic environment. Despite this increase, the credit quality of our loan portfolio continues to be solid as the ratio of non-accrual loans to total loans stood at 2.23% at the end of the period.

Based on these results, the Directors are pleased to announce a quarterly final dividend of 50 cents per share (2017 – 50 cents) payable on 13 April 2018 to shareholders on record as at 14 March 2018.

5 March, 2018


Brendan King
Chairman


Stephen Bagnarol
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (STATED IN \$'000)

	UNAUDITED As at 31 January 2018	UNAUDITED As at 31 January 2017	AUDITED As at 31 October 2017
ASSETS			
Cash on hand and in transit	\$ 101,078	177,032	\$ 225,376
Due from banks and related companies	1,243,658	638,649	1,344,017
Treasury bills	3,483,694	3,173,826	3,925,171
Deposits with Central Bank	2,819,412	3,086,531	2,826,390
Net loans to customers	14,189,620	13,942,092	13,955,789
Investment securities	1,370,172	2,243,615	1,713,788
Investment in associated companies	30,447	30,913	30,447
Deferred tax assets	45,725	36,256	43,940
Property, plant and equipment	248,933	249,699	246,780
Miscellaneous assets	179,040	63,472	70,025
Retirement benefit asset	6,927	19,287	8,646
Goodwill	2,951	2,951	2,951
TOTAL ASSETS	\$ 23,721,657	23,664,323	\$ 24,393,320
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 17,789,261	17,996,404	\$ 18,538,048
Due to banks and related companies	153,806	201,424	38,088
Other liabilities	330,157	285,545	314,678
Taxation payable	64,993	53,733	48,088
Policyholders' funds	1,376,035	1,248,231	1,332,623
Retirement benefit obligation	129,565	129,479	126,633
Deferred tax liabilities	42,101	29,234	40,769
TOTAL LIABILITIES	19,885,918	19,944,050	20,438,927
SHAREHOLDERS' EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	688,201	678,032	688,201
Investment revaluation reserve	5,599	(2,975)	7,519
Retained earnings	2,874,376	2,777,653	2,991,110
TOTAL SHAREHOLDERS' EQUITY	3,835,739	3,720,273	3,954,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 23,721,657	23,664,323	\$ 24,393,320

CONSOLIDATED STATEMENT OF INCOME (STATED IN \$'000)

	UNAUDITED Three months ended 31 January 2018	UNAUDITED Three months ended 31 January 2017	AUDITED Year ended 31 October 2017
NET INTEREST AND OTHER INCOME			
Net Interest Income	\$ 320,961	\$ 306,858	\$ 1,244,236
Other Income	123,935	137,899	481,210
Total Revenue	444,896	444,757	1,725,446
NON-INTEREST EXPENSES	174,146	172,712	685,669
INCOME BEFORE TAXATION AND LOAN LOSS	270,750	272,045	1,039,777
Loan loss expense	44,964	28,132	105,597
INCOME BEFORE TAXATION	225,786	243,913	934,180
Provision for taxation	78,004	73,627	276,516
INCOME AFTER TAXATION	\$ 147,782	\$ 170,286	\$ 657,664
Dividends per share	50.0c	50.0c	300.0c
Earnings per share	83.8c	96.6c	372.9c

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (STATED IN \$'000)

	UNAUDITED Three months ended 31 January 2018	UNAUDITED Three months ended 31 January 2017	AUDITED Year ended 31 October 2017
NET INCOME FOR THE YEAR	\$ 147,782	\$ 170,286	\$ 657,664
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	-	-	763
Revaluation of available-for-sale investments, net of tax	(1,920)	(6,131)	4,363
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 145,862	\$ 164,155	\$ 662,790

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2018



CONSOLIDATED STATEMENT OF CASH FLOWS (STATED IN \$'000)

	UNAUDITED Three months ended 31 January 2018	UNAUDITED Three months ended 31 January 2017	AUDITED Year ended 31 October 2017
Cash flows from operating activities			
Net income after taxes	\$ 147,782	\$ 170,286	\$ 657,664
Change in loans	(248,329)	(672,917)	(684,976)
Change in deposits	(749,013)	425,279	967,231
Taxation paid	(60,256)	(118,550)	(326,277)
Other adjustments to reconcile income after taxation to net cash from operating activities	165,285	389,666	832,235
Net cash from (used in) operating activities	\$ (744,531)	\$ 193,764	\$ 1,445,877
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	\$ 441,413	\$ (83,154)	\$ (859,796)
Change in investments	344,444	25,658	552,798
Purchase of property, plant and equipment	(1,467)	(2,788)	(14,428)
Proceeds from disposal of property, plant & equipment	-	0	240
Net cash from (used in) investing activities	\$ 784,390	\$ (60,284)	\$ (321,186)
Cash flows used in financing activities			
Dividends paid	(264,516)	(317,419)	(581,934)
Net cash used in financing activities	\$ (264,516)	\$ (317,419)	\$ (581,934)
Increase (decrease) in cash and cash equivalents	\$ (224,657)	\$ (183,939)	\$ 542,757
Cash and cash equivalents, beginning of period	1,569,393	1,026,636	1,026,636
Cash and cash equivalents, end of period	\$ 1,344,736	\$ 842,697	\$ 1,569,393
Cash and cash equivalents			
Cash on hand and in transit	\$ 101,078	\$ 177,032	\$ 225,376
Due from banks and related companies	1,243,658	638,649	1,344,017
Treasury bills with original maturity date not exceeding 3 months	-	27,016	-
Cash and cash equivalents	\$ 1,344,736	\$ 842,697	\$ 1,569,393

SEGMENT REPORTING (STATED IN \$'000)

	Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED Three months ended 31 January 2018					
Total Revenue	\$ 403,336	1,620	39,059	881	444,896
Material non-cash items					
Depreciation	4,298	-	-	-	4,298
Income before taxation	\$ 193,658	878	30,429	821	225,786
Assets	\$ 14,189,620	38,028	2,081,884	7,412,125	23,721,657
Liabilities	\$ 17,789,261	967	1,420,629	675,061	19,885,918
UNAUDITED Three months ended 31 January 2017					
Total Revenue	\$ 397,383	1,326	45,187	861	444,757
Material non-cash items					
Depreciation	4,455	-	-	-	4,455
Income before taxation	\$ 205,230	833	36,995	855	243,913
Assets	\$ 13,942,092	35,462	1,825,325	7,861,444	23,664,323
Liabilities	\$ 17,996,404	423	1,262,047	685,176	19,944,050
AUDITED Year ended 31 October 2017					
Total Revenue	\$ 1,562,272	5,628	154,123	3,423	1,725,446
Material non-cash items					
Depreciation	18,069	-	-	-	18,069
Income before taxation	\$ 802,311	3,349	125,241	3,279	934,180
Assets	\$ 13,955,789	36,703	2,000,801	8,400,027	24,393,320
Liabilities	\$ 18,538,048	670	1,362,501	537,708	20,438,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (STATED IN \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED Three months ended 31 January 2018					
Balance as at 31 October 2017	\$ 267,563	688,201	7,519	2,991,110	3,954,393
Net income for the year	-	-	-	147,782	147,782
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	(1,920)	-	(1,920)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	\$ -	-	(1,920)	147,782	145,862
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(264,516)	(264,516)
Balance as at 31 January 2018	\$ 267,563	688,201	5,599	2,874,376	3,835,739
UNAUDITED Three months ended 31 January 2017					
Balance as at 31 October 2016	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	170,286	170,286
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	(6,131)	-	(6,131)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	\$ -	-	(6,131)	170,286	164,155
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	10,150	-	(10,150)	-
Dividends paid	-	-	-	(317,419)	(317,419)
Balance as at 31 January 2017	\$ 267,563	678,032	(2,975)	2,777,653	3,720,273
AUDITED Year ended 31 October 2017					
Balance as at 31 October 2016	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	657,664	657,664
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	4,363	-	4,363
- Remeasurement of post-employment benefits asset/obligation	-	-	-	763	763
Total comprehensive income	\$ -	-	4,363	658,427	662,790
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	20,319	-	(20,319)	-
Dividends paid	-	-	-	(581,934)	(581,934)
Balance as at 31 October 2017	\$ 267,563	688,201	7,519	2,991,110	3,954,393
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 2017.					
Comparative information					
Comparative amounts in the Consolidated Statement of Income have been restated to conform to presentation changes in the current financial period.					