

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 January 2021

Scotiabank[®]

To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Limited (The Group) has realized income after taxation of \$146 million for the quarter ended 31 January 2021, an increase of \$3 million or 2% over the comparative period last year.

The Group's quarterly performance was driven by a reduction in net impairment losses of \$29 million or 56% as the Group continues to take a prudent approach to loan loss provisioning within this economic climate. The credit quality of our loan portfolio continues to be solid as the ratio of non-accrual loans to total average loans stood at 2.35% as at the end of the period.

Notwithstanding the decline in total revenue of \$35 million or 7% year over year, the Group has begun to see signs of improved performance in certain areas relative to the declines in virtually all segments between April and October 2020. We are also pleased to report that we have successfully implemented several initiatives that have resulted in a reduction in non-interest expenses of \$10 million or 5% and we continue to operate at an industry best productivity ratio of 45%.

Total assets stood at \$27.4 billion representing growth of \$452 million or 2% as compared to the same period last year. While loans to customers have declined over both the prior year and prior quarter as we see customers pay down their loans, new loans continue to steadily improve. Deposits from customers increased by \$233 million or 1% year over year driven by growth in both the corporate/commercial and retail segments. Our Insurance segment also continued to show growth with increased policy sales resulting in a \$91 million or 6% increase in policyholder liabilities over the prior year.

We remain focused on advancing our strategic agenda with an emphasis on maintaining safe environments for our employees and customers. We have expanded our non-branch ATMs throughout Trinidad and Tobago and are engaging in extensive promotion and use of our digital banking channels that efficiently facilitate the customers' banking needs in a secured banking manner.

Based on these results, the Directors have approved an interim dividend of 60 cents per share this quarter (60 cents per share for the period ended 31 January 2020). These dividends will be payable on 12 April 2021 to shareholders on record as at 22 March 2021.

9 March, 2021



Derek Hudson
Chairman



Stephen Bagnarol
Managing Director

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

	UNAUDITED Three months ended 31 January 2021	UNAUDITED Three months ended 31 January 2020	AUDITED Year ended 31 October 2020
REVENUE			
Net Interest Income	\$ 317,360	\$ 339,396	\$ 1,313,052
Other Income	123,828	136,790	465,070
Total Revenue	441,188	476,186	1,778,122
EXPENSES			
Non-Interest Expenses	200,019	210,477	757,343
Net impairment loss on financial assets	22,815	52,035	229,917
INCOME BEFORE TAXATION	218,354	213,674	790,862
Income tax expense	72,357	70,910	270,060
INCOME AFTER TAXATION	\$ 145,997	\$ 142,764	\$ 520,802
Dividends per share	60.0c	60.0c	225.0c
Earnings per share	82.8c	81.0c	295.3c

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

	UNAUDITED Three months ended 31 January 2021	UNAUDITED Three months ended 31 January 2020	AUDITED Year ended 31 October 2020
NET INCOME FOR THE YEAR	\$ 145,997	\$ 142,764	\$ 520,802
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	-	-	(2,677)
Fair value remeasurement of debt instruments at FVOCI, net of tax	(5,968)	(10,988)	(17,211)
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 140,029	\$ 131,776	\$ 500,914

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

	UNAUDITED As at 31 January 2021	UNAUDITED As at 31 January 2020	AUDITED As at 31 October 2020
ASSETS			
Cash on hand and in transit	\$ 177,042	\$ 176,293	\$ 150,566
Loans and advances to banks and related companies	824,873	720,752	437,537
Treasury bills	3,125,920	3,683,796	3,455,229
Deposits with Central Bank	3,604,294	3,338,809	4,357,607
Loans to customers	16,191,750	16,682,491	16,274,409
Investment securities	2,864,473	1,690,550	2,140,181
Miscellaneous assets	40,195	107,645	87,639
Taxation recoverable	4,916	4,916	4,916
Investment in associated companies	39,227	36,088	38,243
Deferred tax assets	137,333	94,751	143,108
Property and equipment	388,258	400,381	398,499
Defined benefit pension fund asset	12,969	22,316	12,793
Goodwill	2,951	2,951	2,951
TOTAL ASSETS	27,414,201	\$ 26,961,739	\$ 27,503,678
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	20,673,945	20,440,963	20,868,861
Deposits from banks and related companies	32,810	22,391	45,767
Other liabilities	685,042	700,839	574,996
Taxation payable	65,117	59,781	77,207
Policyholders' funds	1,589,389	1,498,124	1,558,656
Post-employment medical and life benefits obligation	158,056	149,187	154,260
Deferred tax liabilities	48,080	41,086	52,306
TOTAL LIABILITIES	23,252,439	22,912,371	23,332,053
EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	814,514	774,012	804,514
Investment revaluation reserve	5,032	17,223	11,000
Retained earnings	3,074,653	2,990,570	3,088,548
TOTAL EQUITY	4,161,762	4,049,368	4,171,625
TOTAL LIABILITIES AND EQUITY	\$ 27,414,201	\$26,961,739	\$ 27,503,678

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

	UNAUDITED Three months ended 31 January 2021	UNAUDITED Three months ended 31 January 2020	AUDITED Year ended 31 October 2020
Cash flows from operating activities			
Net income after taxes	\$ 145,997	\$ 142,764	\$ 520,802
Change in loans to customers	87,887	(596,413)	(183,199)
Change in deposits from customers	(197,649)	1,399,574	1,833,453
Taxation paid	(76,856)	(66,594)	(301,511)
Other adjustments to reconcile income after taxation to net cash from operating activities	290,855	(23,346)	585,478
Net cash from operating activities	\$ 250,234	\$ 855,985	\$ 2,455,023
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	\$ 329,309	\$ (124,630)	\$ 103,955
Change in investments	(746,249)	(272,109)	(729,314)
Purchase of property and equipment	(1,851)	(7,876)	(28,737)
Proceeds from disposal of property, plant & equipment	-	14,000	14,000
Net cash used in investing activities	\$ (418,791)	\$ (390,615)	\$ (640,096)
Cash flows used in financing activities			
Payment of lease liabilities	(4,489)	(5,161)	(21,259)
Dividends paid	(149,892)	(264,516)	(511,397)
Net cash used in financing activities	\$ (154,381)	\$ (269,677)	\$ (532,656)
Increase (Decrease) in cash and cash equivalents	\$ (322,938)	\$ 195,693	\$ 1,282,271
Cash and cash equivalents, beginning of period	2,574,683	1,292,412	1,292,412
Cash and cash equivalents, end of period	\$ 2,251,745	\$ 1,488,105	\$ 2,574,683
Cash and cash equivalents			
Cash on hand and in transit	\$ 177,042	\$ 176,293	\$ 150,566
Loans and advances to banks and related companies	824,873	720,752	437,537
Surplus deposits with Central Bank	1,249,830	591,060	1,986,580
Cash and cash equivalents	\$ 2,251,745	\$ 1,488,105	\$ 2,574,683

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 January 2021

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 2020					
Balance as at 31 October 2020	267,563	804,514	11,000	3,088,548	4,171,625
Net income for the year	-	-	-	145,997	145,997
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(5,968)	-	(5,968)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	\$ -	-	(5,968)	145,997	140,029
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	10,000	-	(10,000)	-
Dividends paid	-	-	-	(149,892)	(149,892)
	-	10,000	-	(159,892)	(149,892)
Balance as at 31 January 2021	\$ 267,563	814,514	5,032	3,074,653	4,161,762
UNAUDITED					
Three months ended 31 October 2019					
Balance as at 31 October 2019	267,563	734,012	28,211	3,152,322	4,182,108
Net income for the year	-	-	-	142,764	142,764
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(10,988)	-	(10,988)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	\$ -	-	(10,988)	142,764	131,776
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	40,000	-	(40,000)	-
Dividends paid	-	-	-	(264,516)	(264,516)
	-	40,000	-	(304,516)	(264,516)
Balance as at 31 January 2020	\$ 267,563	774,012	17,223	2,990,570	4,049,368
AUDITED					
Year ended 31 October 2020					
Balance as at 31 October 2019	267,563	734,012	28,211	3,152,322	4,182,108
Net income for the year	-	-	-	520,802	520,802
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(17,211)	-	(17,211)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	(2,677)	(2,677)
Total comprehensive income	\$ -	-	(17,211)	518,125	500,914
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	70,502	-	(70,502)	-
Dividends paid	-	-	-	(511,397)	(511,397)
	-	70,502	-	(581,899)	(511,397)
Balance as at 31 October 2020	\$ 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
UNAUDITED					
Three months ended 31 January 2021					
Total Revenue	\$ 399,388	1,952	39,847	-	441,188
Material non-cash items					
Depreciation	7,823	-	-	-	7,823
Income before taxation	\$ 182,410	1,295	34,646	-	218,354
Assets	\$ 16,191,750	36,170	2,416,473	8,769,807	27,414,201
Liabilities	\$ 20,673,945	344	1,640,744	937,406	23,252,439
UNAUDITED					
Three months ended 31 January 2020					
Total Revenue	\$ 432,950	2,018	41,218	-	476,186
Material non-cash items					
Depreciation	7,886	-	-	-	7,886
Income before taxation	\$ 178,708	1,069	33,897	-	213,674
Assets	\$ 16,682,491	36,413	2,240,321	8,002,514	26,961,739
Liabilities	\$ 20,440,963	579	1,558,083	912,746	22,912,371
AUDITED					
Year ended 31 October 2020					
Total Revenue	\$ 1,612,253	7,930	157,937	-	1,778,122
Material non-cash items					
Depreciation	30,439	-	-	-	30,439
Income before taxation	\$ 660,557	5,042	125,259	-	790,862
Assets	\$ 16,274,409	40,420	2,350,942	8,837,907	27,503,678
Liabilities	\$ 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.