

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 July 2023

Stated in Trinidad and Tobago Dollars

## To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Limited (The Group) has realised profit after tax of \$502 million for the nine months ended July 31, 2023, a decrease of \$19MM or 4% under the prior year.

As the local economy slowly recovers from the impact of record inflation in early 2023, business activity continues to improve in both our energy and non-energy sectors, coupled with a steady demand for retail banking products.

The Group recorded an increase in total revenue of \$19 million or 1%, driven mainly by substantial growth in net interest income of \$144 million or 16% over the comparative prior year period. We achieved higher loan volumes in our retail and commercial portfolios, coupled with increased yields on the Group's investment portfolio. Growth in net interest income was partially offset by a decline in other income of \$125 million or 24% over the same comparative prior year period due to lower trading revenues, aligned with prevailing market conditions.

Non-interest expenses increased by \$52 million or 10% compared to 31 July 2022, reflective of a combination of inflationary impacts on our cost structure, higher activity related costs and increased technological costs. These costs are aligned with our delivery of enhanced digital capability as well as improved quality and security of banking services provided to our customers. The Group actively manages its cost structure and we expect longer term benefits from our technology build while focusing on sustainable growth. Our productivity ratio of 41% remains best in class in the local banking sector.

We continuously assess the impacts of potential risks associated with the credit quality of our loan portfolios and actively manage these exposures. For the nine months ended July 31, 2023, net impairment losses remained consistent with prior year levels and the Group's ratio of non-accrual loans to total loans remained under 2% reflecting the high quality of the loan portfolio.

The Group recorded strong growth on its Balance Sheet with total assets increasing by \$522 million or 2% compared to 31 July 2022. Retail and Commercial banking segments contributed with an 8% or \$1.4 billion increase year over year. Our capital base increased by \$82 million over the prior year, well in excess of regulatory minimums.

As The Board and the Executive Management Team work to preserve our shareholders' value, we are pleased to announce that the Directors have approved a third quarter dividend of 70c per share. These dividends are payable to shareholders on the register of members as at September 18, 2023, by October 9th, 2023.

In closing, we would like to highlight our external recognitions over the quarter. We have recently been named *Trinidad and Tobago's Best Consumer Digital Bank 2023* by *Global Finance (New York)* for the 3rd consecutive year as well as the *Best Mobile Banking App* in the country for the first time. *Euromoney Awards for Excellence 2023* as well named Scotiabank as *Trinidad and Tobago's Best Bank*. These accolades demonstrate our commitment to digital innovation, and together with strong customer focus, has led to improved core operations. We celebrate our employees and thank our customers and our shareholders for their confidence in us.

Derek Hudson  
Chairman

Gayle Pazos  
Managing Director

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

|                                                      | UNAUDITED<br>As at<br>31 July 2023 | UNAUDITED<br>As at<br>31 July 2022 | AUDITED<br>As at<br>31 October 2022 |
|------------------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| <b>ASSETS</b>                                        |                                    |                                    |                                     |
| Cash on hand and in transit                          | 191,481                            | 233,922                            | 138,221                             |
| Loans and advances to banks and related companies    | 855,079                            | 936,715                            | 652,582                             |
| Treasury bills                                       | 2,093,536                          | 3,444,416                          | 2,933,707                           |
| Deposits with Central Bank                           | 3,007,342                          | 2,518,017                          | 2,369,244                           |
| Loans to customers                                   | 18,414,003                         | 16,994,509                         | 17,308,959                          |
| Investment securities                                | 3,905,929                          | 3,791,097                          | 3,938,192                           |
| Investment in associated companies                   | 47,237                             | 42,580                             | 43,428                              |
| Deferred tax assets                                  | 97,195                             | 99,834                             | 109,567                             |
| Property and equipment                               | 337,250                            | 354,912                            | 353,262                             |
| Miscellaneous assets                                 | 91,898                             | 116,420                            | 64,807                              |
| Defined benefit pension fund asset                   | 145,706                            | 126,431                            | 138,143                             |
| Goodwill                                             | 2,951                              | 2,951                              | 2,951                               |
| Taxation recoverable                                 | -                                  | 4,916                              | 4,916                               |
| <b>TOTAL ASSETS</b>                                  | <b>29,189,607</b>                  | <b>28,666,720</b>                  | <b>28,057,979</b>                   |
| <b>LIABILITIES AND EQUITY</b>                        |                                    |                                    |                                     |
| <b>LIABILITIES</b>                                   |                                    |                                    |                                     |
| Deposits from customers                              | 21,588,151                         | 21,489,778                         | 20,891,772                          |
| Deposits from banks and related companies            | 285,847                            | 67,049                             | 95,279                              |
| Other liabilities                                    | 746,916                            | 670,854                            | 662,933                             |
| Taxation payable                                     | 85,079                             | 117,945                            | 106,541                             |
| Policyholders' funds                                 | 1,797,138                          | 1,739,605                          | 1,746,579                           |
| Post-employment medical and life benefits obligation | 198,232                            | 189,074                            | 184,199                             |
| Defined benefit pension fund liability               | -                                  | -                                  | -                                   |
| Deferred tax liabilities                             | 63,594                             | 50,097                             | 56,656                              |
| <b>TOTAL LIABILITIES</b>                             | <b>24,764,957</b>                  | <b>24,324,402</b>                  | <b>23,743,959</b>                   |
| <b>EQUITY</b>                                        |                                    |                                    |                                     |
| Stated capital                                       | 267,563                            | 267,563                            | 267,563                             |
| Statutory reserve fund                               | 880,995                            | 860,100                            | 880,100                             |
| Investment revaluation reserve                       | 1,895                              | (7,240)                            | (29,982)                            |
| Retained earnings                                    | 3,274,197                          | 3,221,895                          | 3,196,339                           |
| <b>TOTAL EQUITY</b>                                  | <b>4,424,650</b>                   | <b>4,342,318</b>                   | <b>4,314,020</b>                    |
| <b>TOTAL LIABILITIES AND EQUITY</b>                  | <b>29,189,607</b>                  | <b>28,666,720</b>                  | <b>28,057,979</b>                   |

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

|                                                            | UNAUDITED<br>Three months ended<br>31 July 2023 | UNAUDITED<br>Three months ended<br>31 July 2022 | UNAUDITED<br>Nine months ended<br>31 July 2023 | UNAUDITED<br>Nine months ended<br>31 July 2022 | AUDITED<br>Year ended<br>31 October 2022 |
|------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------|
| <b>REVENUE</b>                                             |                                                 |                                                 |                                                |                                                |                                          |
| Net Interest Income                                        | 363,390                                         | 316,822                                         | 1,057,905                                      | 913,272                                        | 1,246,260                                |
| Net Other Income                                           | 117,484                                         | 166,416                                         | 397,130                                        | 522,389                                        | 651,788                                  |
| <b>Total Revenue</b>                                       | <b>480,874</b>                                  | <b>483,238</b>                                  | <b>1,455,035</b>                               | <b>1,435,661</b>                               | <b>1,898,048</b>                         |
| <b>EXPENSES</b>                                            |                                                 |                                                 |                                                |                                                |                                          |
| Non-Interest Expenses                                      | 208,902                                         | 190,260                                         | 603,183                                        | 550,805                                        | 737,420                                  |
| Net impairment loss on financial assets                    | 27,291                                          | 39,365                                          | 84,363                                         | 84,723                                         | 110,069                                  |
| <b>PROFIT BEFORE TAXATION</b>                              | <b>244,681</b>                                  | <b>253,613</b>                                  | <b>767,489</b>                                 | <b>800,133</b>                                 | <b>1,050,559</b>                         |
| Income tax expense                                         | 86,775                                          | 88,992                                          | 265,629                                        | 279,056                                        | 366,810                                  |
| <b>PROFIT FOR THE YEAR, ATTRIBUTABLE TO EQUITY HOLDERS</b> | <b>157,906</b>                                  | <b>164,621</b>                                  | <b>501,860</b>                                 | <b>521,077</b>                                 | <b>683,749</b>                           |
| Dividends per share                                        | 70.0c                                           | 100.0c                                          | 210.0c                                         | 230.0c                                         | 330.0c                                   |
| Earnings per share                                         | 89.5c                                           | 93.4c                                           | 284.6c                                         | 295.5c                                         | 387.7c                                   |

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

|                                                                        | UNAUDITED<br>Three months ended<br>31 July 2023 | UNAUDITED<br>Three months ended<br>31 July 2022 | UNAUDITED<br>Nine months ended<br>31 July 2023 | UNAUDITED<br>Nine months ended<br>31 July 2022 | AUDITED<br>Year ended<br>31 October 2022 |
|------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------|
| <b>PROFIT AFTER TAXATION</b>                                           | <b>157,906</b>                                  | <b>164,621</b>                                  | <b>501,860</b>                                 | <b>521,077</b>                                 | <b>683,749</b>                           |
| <b>OTHER COMPREHENSIVE INCOME</b>                                      |                                                 |                                                 |                                                |                                                |                                          |
| Remeasurement of post-employment benefits asset/obligation, net of tax | (6,322)                                         | (17,492)                                        | 117                                            | (5,604)                                        | 2,511                                    |
| Fair value remeasurement of debt instruments at FVOCI, net of tax      | 4,648                                           | (61,593)                                        | 31,877                                         | (37,833)                                       | (60,575)                                 |
| <b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>      | <b>156,232</b>                                  | <b>85,536</b>                                   | <b>533,854</b>                                 | <b>477,640</b>                                 | <b>625,685</b>                           |

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

|                                                                                            | UNAUDITED<br>Nine months ended<br>31 July 2023 | UNAUDITED<br>Nine months ended<br>31 July 2022 | AUDITED<br>Year ended<br>31 October 2022 |
|--------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------|
| <b>Cash flows from operating activities</b>                                                |                                                |                                                |                                          |
| Profit for the year                                                                        | 501,860                                        | 521,077                                        | 683,749                                  |
| Change in loans to customers                                                               | (997,989)                                      | (1,021,984)                                    | (1,626,746)                              |
| Change in deposits from customers                                                          | 691,067                                        | 1,246,657                                      | 570,004                                  |
| Taxation paid                                                                              | (201,682)                                      | (249,227)                                      | (338,798)                                |
| Other adjustments to reconcile income after taxation to net cash from operating activities | (522,586)                                      | 686,204                                        | 509,232                                  |
| <b>Net cash from operating activities</b>                                                  | <b>(529,330)</b>                               | <b>1,182,727</b>                               | <b>(202,559)</b>                         |
| <b>Cash flows used in investing activities</b>                                             |                                                |                                                |                                          |
| Change in Treasury Bills with original maturity date due over 3 months                     | 1,231,760                                      | (1,855,145)                                    | 1,033,684                                |
| Change in investments                                                                      | 1,052,868                                      | (145,789)                                      | (1,672,522)                              |
| Purchase of property and equipment                                                         | (7,279)                                        | (1,388)                                        | (20,703)                                 |
| Proceeds from disposal of property and equipment                                           | 15,670                                         | 5,720                                          | -                                        |
| <b>Net cash used in investing activities</b>                                               | <b>2,293,019</b>                               | <b>(1,996,602)</b>                             | <b>(659,541)</b>                         |
| <b>Cash flows used in financing activities</b>                                             |                                                |                                                |                                          |
| Payment of lease liabilities                                                               | (12,095)                                       | (13,572)                                       | (20,008)                                 |
| Dividends paid                                                                             | (555,483)                                      | (379,140)                                      | (555,483)                                |
| <b>Net cash used in financing activities</b>                                               | <b>(567,578)</b>                               | <b>(392,712)</b>                               | <b>(575,491)</b>                         |
| Increase (Decrease) in cash and cash equivalents                                           | 1,196,111                                      | (1,206,587)                                    | (1,437,591)                              |
| <b>Cash and cash equivalents, beginning of period</b>                                      | <b>1,671,633</b>                               | <b>3,109,224</b>                               | <b>3,109,224</b>                         |
| <b>Cash and cash equivalents, end of period</b>                                            | <b>2,867,744</b>                               | <b>1,902,637</b>                               | <b>1,671,633</b>                         |
| <b>Cash and cash equivalents represented by:</b>                                           |                                                |                                                |                                          |
| Cash on hand and in transit                                                                | 191,481                                        | 233,922                                        | 138,221                                  |
| Loans and advances to banks and related companies                                          | 855,079                                        | 936,715                                        | 652,582                                  |
| Treasury Bills with original maturity date not exceeding 3 months                          | 616,431                                        | -                                              | 845,220                                  |
| Surplus deposits with Central Bank                                                         | 1,204,753                                      | 732,000                                        | 35,610                                   |
| <b>Cash and cash equivalents</b>                                                           | <b>2,867,744</b>                               | <b>1,902,637</b>                               | <b>1,671,633</b>                         |

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 July 2023

Stated in Trinidad and Tobago Dollars

## 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>Nine months ended 31 July 2023</b>                        |                |                   |                                |                   |                            |
| Balance as at 31 October 2022                                | 267,563        | 880,100           | (29,982)                       | 3,196,339         | 4,314,020                  |
| Profit for the year                                          | -              | -                 | -                              | 501,860           | 501,860                    |
| <b>Other comprehensive income, net of tax</b>                |                |                   |                                |                   |                            |
| - Fair value remeasurement of FVOCI investments              | -              | -                 | 31,877                         | -                 | 31,877                     |
| - Remeasurement of post-employment benefits asset/obligation | -              | -                 | -                              | 117               | 117                        |
| <b>Total comprehensive income</b>                            | -              | -                 | 31,877                         | 501,977           | 533,854                    |
| <b>Transactions with equity owners of Scotiabank</b>         |                |                   |                                |                   |                            |
| Transfer to statutory reserve                                | -              | 895               | -                              | (895)             | -                          |
| Dividends paid                                               | -              | -                 | -                              | (423,224)         | (423,224)                  |
|                                                              | -              | 895               | -                              | (424,119)         | (423,224)                  |
| <b>Balance as at 31 July 2023</b>                            | <b>267,563</b> | <b>880,995</b>    | <b>1,895</b>                   | <b>3,274,197</b>  | <b>4,424,650</b>           |
| <b>UNAUDITED</b>                                             |                |                   |                                |                   |                            |
| <b>Nine months ended 31 July 2022</b>                        |                |                   |                                |                   |                            |
| Balance as at 31 October 2021                                | 267,563        | 815,100           | 30,593                         | 3,130,562         | 4,243,818                  |
| Profit for the year                                          | -              | -                 | -                              | 521,077           | 521,077                    |
| <b>Other comprehensive income, net of tax</b>                |                |                   |                                |                   |                            |
| - Fair value remeasurement of FVOCI investments              | -              | -                 | (37,833)                       | -                 | (37,833)                   |
| - Remeasurement of post-employment benefits asset/obligation | -              | -                 | -                              | (5,604)           | (5,604)                    |
| <b>Total comprehensive income</b>                            | -              | -                 | (37,833)                       | 515,473           | 477,640                    |
| <b>Transactions with equity owners of Scotiabank</b>         |                |                   |                                |                   |                            |
| Transfer to statutory reserve                                | -              | 45,000            | -                              | (45,000)          | -                          |
| Dividends paid                                               | -              | -                 | -                              | (379,140)         | (379,140)                  |
|                                                              | -              | 45,000            | -                              | (424,140)         | (379,140)                  |
| <b>Balance as at 31 July 2022</b>                            | <b>267,563</b> | <b>860,100</b>    | <b>(7,240)</b>                 | <b>3,221,895</b>  | <b>4,342,318</b>           |
| <b>AUDITED</b>                                               |                |                   |                                |                   |                            |
| <b>Year ended 31 October 2022</b>                            |                |                   |                                |                   |                            |
| Balance as at 31 October 2021                                | 267,563        | 815,100           | 30,593                         | 3,130,562         | 4,243,818                  |
| Profit for the year                                          | -              | -                 | -                              | 683,749           | 683,749                    |
| <b>Other comprehensive income, net of tax</b>                |                |                   |                                |                   |                            |
| - Fair value remeasurement of FVOCI investments              | -              | -                 | (60,575)                       | -                 | (60,575)                   |
| - Remeasurement of post-employment benefits asset/obligation | -              | -                 | -                              | 2,511             | 2,511                      |
| <b>Total comprehensive income</b>                            | -              | -                 | (60,575)                       | 686,260           | 625,685                    |
| <b>Transactions with equity owners of Scotiabank</b>         |                |                   |                                |                   |                            |
| Transfer to statutory reserve                                | -              | 65,000            | -                              | (65,000)          | -                          |
| Dividends paid                                               | -              | -                 | -                              | (555,483)         | (555,483)                  |
|                                                              | -              | 65,000            | -                              | (620,483)         | (555,483)                  |
| <b>Balance as at 31 October 2022</b>                         | <b>267,563</b> | <b>880,100</b>    | <b>(29,982)</b>                | <b>3,196,339</b>  | <b>4,314,020</b>           |

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

|                                       | Retail Corporate & Commercial Banking | Asset Management | Insurance Services | Other | Total      |
|---------------------------------------|---------------------------------------|------------------|--------------------|-------|------------|
| <b>UNAUDITED</b>                      |                                       |                  |                    |       |            |
| <b>Nine months ended 31 July 2023</b> |                                       |                  |                    |       |            |
| <b>Total Revenue</b>                  | 1,315,748                             | 14,476           | 124,811            | -     | 1,455,035  |
| <b>Material non-cash items</b>        |                                       |                  |                    |       |            |
| Depreciation                          | 25,878                                | -                | -                  | -     | 25,878     |
| <b>Income before taxation</b>         | 656,587                               | 11,421           | 99,481             | -     | 767,489    |
| <b>Assets</b>                         | 26,445,509                            | 42,039           | 2,702,059          | -     | 29,189,607 |
| <b>Liabilities</b>                    | 22,894,231                            | 4,978            | 1,865,748          | -     | 24,764,957 |
| <b>UNAUDITED</b>                      |                                       |                  |                    |       |            |
| <b>Nine months ended 31 July 2022</b> |                                       |                  |                    |       |            |
| <b>Total Revenue</b>                  | 1,297,418                             | 13,002           | 125,241            | -     | 1,435,661  |
| <b>Material non-cash items</b>        |                                       |                  |                    |       |            |
| Depreciation                          | 24,311                                | -                | -                  | -     | 24,311     |
| <b>Income before taxation</b>         | 691,169                               | 7,944            | 101,020            | -     | 800,133    |
| <b>Assets</b>                         | 26,088,545                            | 53,538           | 2,524,637          | -     | 28,666,720 |
| <b>Liabilities</b>                    | 22,529,756                            | 5,610            | 1,789,036          | -     | 24,324,402 |
| <b>AUDITED</b>                        |                                       |                  |                    |       |            |
| <b>Year ended 31 October 2022</b>     |                                       |                  |                    |       |            |
| <b>Total Revenue</b>                  | 1,705,848                             | 24,935           | 167,265            | -     | 1,898,048  |
| <b>Material non-cash items</b>        |                                       |                  |                    |       |            |
| Depreciation                          | 32,665                                | -                | -                  | -     | 32,665     |
| <b>Income before taxation</b>         | 909,801                               | 12,910           | 126,168            | 1,680 | 1,050,559  |
| <b>Assets</b>                         | 25,458,658                            | 43,255           | 2,555,139          | 927   | 28,057,979 |
| <b>Liabilities</b>                    | 21,937,283                            | 4,075            | 1,801,679          | 922   | 23,743,959 |

## 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 2022.