

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2021

## To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited ("The Group") realized, income after tax of \$142 million for the quarter ended 31 October 2021, a decrease of \$13 million or 8% lower than the quarter ended 31 October 2020. For the year ended 31 October 2021, The Group realized an after-tax profit of \$604 million, an increase of \$83 million or 16% over the comparative prior year period, driven mainly by lower net impairment losses on loans.

Notwithstanding the continued economic challenges being faced, we continue to see signs of some stabilization in our financial performance. For the year ended 31 October 2021, The Group's total revenue declined by \$48 million or 3%, impacted by a \$94 million or 7% decline in net interest income largely due to lower loan balances impacting both retail and commercial customer segments. The decline in net interest income was partially mitigated by a \$46 million or 10% increase in other income as we see continued recovery in some of our key core banking activity lines. In the face of lower revenues, The Group has continued to focus on operating cost management, and this has resulted in non-interest expenses declining by \$55 million or 7% lower than the prior year. The reduction in non-interest expenses has resulted in our operating efficiency ratio improving to 40.6% in 2021, and is a return to our pre-pandemic level of operational efficiency. The Group continues to exercise prudent risk management and the credit quality of our loan portfolio has remained relatively stable with non-accrual loans to loans remaining within a range of 2.2% to 2.3%. Net impairment losses have reduced by \$121 million or 53% from the prior year.

Total Assets of \$27.2 billion decreased slightly over the last year by \$333 million or 1.2%. The Group's main interest earning asset, loans to customers, declined by \$544 million or 3% resulting from the lower economic activity and reduced borrowing appetite from customers across various segments. The Group continues to proactively manage the surplus liquidity with treasury bills and investment securities collectively increasing by \$1.1 billion over the prior year. Our insurance segment continues to perform creditably with Policyholders' liabilities growing by \$93 million or 6% over the prior year. Deposits from customers have declined by \$627 million or 3% as some customers have opted to deploy their surplus holdings into alternative channels, including paydowns of loans as noted above.

Based on these results, the Directors have approved a final dividend of 85 cents per share this quarter (4th quarter 2020 – 85 cents), for a total of 350 cents (2020 – 225 cents), inclusive of the 85 cents per share special dividend in Q3 2021. This dividend will be payable on 27 December 2021 to shareholders on record as at 20 December 2021.

Whilst acknowledging that COVID-19 will continue to unfavorably impact our economy heading into 2022, The Group remains cautiously optimistic on the future economic prospects for Trinidad and Tobago. We remain focused on achieving our strategic objectives and will be well poised to capitalise on future opportunities to assist our customers. On behalf of the Board of Directors, we would like to recognise the unwavering dedication of our Scotiabank employees. We have experienced undoubtedly one of the most challenging years, but our Senior Management and staff have risen to the challenge of assisting our customers whilst transforming our business for the longer-term changes that the banking industry will be experiencing. We continue to urge everyone to stay safe and thank you for your continued support of Scotiabank.

14 December 2021

Derek Hudson  
Chairman

Gayle Pazos  
Managing Director

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

	UNAUDITED Three months ended 31 October 2021	UNAUDITED Three months ended 31 October 2020	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
<b>REVENUE</b>				
Net Interest Income	\$ 290,881	\$ 324,675	\$ 1,219,172	\$ 1,313,052
Other Income	136,475	108,673	511,040	465,070
<b>Total Revenue</b>	<b>427,356</b>	433,348	<b>1,730,212</b>	1,778,122
<b>EXPENSES</b>				
Non-Interest Expenses	166,129	175,431	701,987	757,343
Net impairment loss on financial assets	43,019	19,693	108,521	229,917
<b>INCOME BEFORE TAXATION</b>	<b>218,208</b>	238,224	<b>919,704</b>	790,862
Income tax expense	76,524	83,560	316,179	270,060
<b>INCOME AFTER TAXATION</b>	<b>\$ 141,684</b>	\$ 154,664	<b>\$ 603,525</b>	\$ 520,802
Dividends per share	85.0c	85.0c	350.0c	225.0c
Earnings per share	80.3c	87.7c	342.2c	295.3c

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

	UNAUDITED Three months ended 31 October 2021	UNAUDITED Three months ended 31 October 2020	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 141,684</b>	154,664	<b>\$ 603,525</b>	520,802
<b>OTHER COMPREHENSIVE INCOME</b>				
Remeasurement of post-employment benefits asset/obligation, net of tax	40,747	27,953	66,278	(2,677)
Fair value remeasurement of debt instruments at FVOCI, net of tax	(7,081)	(12,969)	19,593	(17,211)
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>\$ 175,350</b>	169,648	<b>\$ 689,396</b>	500,914

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

	UNAUDITED As at 31 October 2021	AUDITED As at 31 October 2020
<b>ASSETS</b>		
Cash on hand and in transit	\$ 218,702	\$ 150,566
Loans and advances to banks and related companies	854,150	437,537
Treasury Bills	3,599,239	3,455,229
Deposits with Central Bank	3,046,104	4,357,607
Loans to customers	15,729,895	16,274,409
Investment securities	3,099,702	2,140,181
Investment in associated companies	39,668	38,243
Deferred tax assets	59,372	143,108
Property and equipment	359,519	398,499
Miscellaneous assets	27,357	87,639
Defined benefit pension fund asset	129,517	12,793
Goodwill	2,951	2,951
Taxation recoverable	4,916	4,916
<b>TOTAL ASSETS</b>	<b>27,171,092</b>	27,503,678
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from customers	20,241,852	20,868,861
Deposits from banks and related companies	142,737	45,767
Other liabilities	592,766	574,996
Taxation payable	71,795	77,207
Policyholders' funds	1,651,939	1,558,656
Post-employment medical and life benefits obligation	175,485	154,260
Deferred tax liabilities	50,700	52,306
<b>TOTAL LIABILITIES</b>	<b>22,927,274</b>	23,332,053
<b>EQUITY</b>		
Stated capital	267,563	267,563
Statutory reserve fund	815,100	804,514
Investment revaluation reserve	30,593	11,000
Retained earnings	3,130,562	3,088,548
<b>TOTAL EQUITY</b>	<b>4,243,818</b>	4,171,625
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 27,171,092</b>	\$ 27,503,678

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

	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
<b>Cash flows from operating activities</b>		
Net income after taxes	\$ 603,525	\$ 520,802
Change in loans to customers	583,661	(183,199)
Change in deposits from customers	(629,009)	1,833,453
Taxation paid	(273,745)	(301,511)
Other adjustments to reconcile income after taxation to net cash from operating activities	777,574	585,478
<b>Net cash from operating activities</b>	<b>1,062,006</b>	\$ 2,455,023
<b>Cash flows used in investing activities</b>		
Change in Treasury Bills with original maturity date due over 3 months	\$ 1,284,488	\$ 103,955
Change in investments	(952,052)	(729,314)
Purchase of property and equipment	(9,348)	(28,737)
Proceeds from disposal of property and equipment	-	14,000
<b>Net cash used in investing activities</b>	<b>\$ 323,088</b>	\$ (640,096)
<b>Cash flows used in financing activities</b>		
Payment of lease liabilities	(18,224)	(21,259)
Dividends paid	(617,203)	(511,397)
<b>Net cash used in financing activities</b>	<b>\$ (635,427)</b>	\$ (532,656)
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>749,667</b>	1,282,271
<b>Cash and cash equivalents, beginning of period</b>	<b>2,574,683</b>	1,292,412
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,324,350</b>	\$ 2,574,683
<b>Cash and cash equivalents</b>		
Cash on hand and in transit	218,702	150,566
Loans and advances to banks and related companies	854,150	437,537
Treasury Bills with original maturity date not exceeding 3 months	823,000	-
Surplus deposits with Central Bank	1,428,498	1,986,580
<b>Cash and cash equivalents</b>	<b>\$ 3,324,350</b>	\$ 2,574,683

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2021

## 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>Year ended 31 October 2021</b>					
<b>Balance as at 31 October 2020</b>	<b>267,563</b>	<b>804,514</b>	<b>11,000</b>	<b>3,088,548</b>	<b>4,171,625</b>
Net income for the year	-	-	-	603,525	603,525
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	19,593		19,593
- Remeasurement of post-employment benefits asset/obligation	-	-		66,278	66,278
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>19,593</b>	<b>669,803</b>	<b>689,396</b>
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	10,586	-	(10,586)	-
Dividends paid	-	-	-	(617,203)	(617,203)
	-	10,586	-	(627,789)	(617,203)
<b>Balance as at 31 October 2021</b>	<b>\$ 267,563</b>	<b>815,100</b>	<b>30,593</b>	<b>3,130,562</b>	<b>4,243,818</b>
<b>AUDITED</b>					
<b>Year ended 31 October 2020</b>					
<b>Balance as at 31 October 2019</b>	<b>267,563</b>	<b>734,012</b>	<b>28,211</b>	<b>3,152,322</b>	<b>4,182,108</b>
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/obligation	-	-		(2,677)	(2,677)
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(17,211)</b>	<b>518,125</b>	<b>500,914</b>
<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>	<b>\$ 267,563</b>	<b>804,514</b>	<b>11,000</b>	<b>3,088,548</b>	<b>4,171,625</b>

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

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
<b>UNAUDITED</b>					
<b>Year ended 31 October 2021</b>					
<b>Total Revenue</b>	\$ 1,568,315	10,197	151,700	-	1,730,212
<b>Material non-cash items</b>					
Depreciation	30,911	-	-	-	30,911
<b>Income before taxation</b>	<b>\$ 786,003</b>	<b>7,612</b>	<b>126,089</b>	<b>-</b>	<b>919,704</b>
<b>Assets</b>	<b>\$ 15,729,895</b>	<b>42,780</b>	<b>2,423,349</b>	<b>8,975,068</b>	<b>27,171,092</b>
<b>Liabilities</b>	<b>\$ 20,241,852</b>	<b>574</b>	<b>1,703,040</b>	<b>981,808</b>	<b>22,927,274</b>
<b>AUDITED</b>					
<b>Year ended 31 October 2020</b>					
<b>Total Revenue</b>	\$ 1,612,255	7,931	157,936	-	1,778,122
<b>Material non-cash items</b>					
Depreciation	30,439	-	-	-	30,439
<b>Income before taxation</b>	<b>\$ 660,558</b>	<b>5,045</b>	<b>125,259</b>	<b>-</b>	<b>790,862</b>
<b>Assets</b>	<b>\$ 16,273,837</b>	<b>40,420</b>	<b>2,350,942</b>	<b>8,838,479</b>	<b>27,503,678</b>
<b>Liabilities</b>	<b>\$ 20,868,292</b>	<b>555</b>	<b>1,606,548</b>	<b>856,658</b>	<b>23,332,053</b>

### 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.