

# MEDIA RELEASE

For the Quarter ended July 31st, 2018

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

## Scotiabank Reports Third Quarter Results

FINANCIAL MEASURES:	NINE MONTHS ENDED 31 JULY 2018	NINE MONTHS ENDED 31 JULY 2017
Income before Taxation	<b>\$745 million</b>	<b>\$719 million</b>
Income after Taxation	<b>\$491 million</b>	<b>\$507 million</b>
Dividends per share	<b>150.c</b>	<b>150.c</b>
Earnings per share	<b>278.2c</b>	<b>287.2c</b>
Return on Equity	<b>16.46%</b>	<b>17.45%</b>
Return on Assets	<b>2.72%</b>	<b>2.87%</b>

Scotiabank Trinidad and Tobago Limited (Scotiabank) today reported strong income after taxation of \$491 million for the nine months ended 31 July 2018; despite increased corporation tax rates levied on commercial banks at 35%.

High Return on Equity at 16.46% and Return on Assets at 2.72% continue to highlight the Group's financial strength. Based on this performance, the Board of Directors has approved a 3rd quarter dividend of 50 cents per ordinary share payable on 18 October 2018 to shareholders on record as at 20 September 2018.

In commenting on the results, Stephen Bagnarol, Managing Director said:

*The Bank continues to build on the momentum of the 2nd quarter with a good 3rd quarter performance. Total Revenue grew by 7%, driven by continued growth in our retail portfolio as well as growth in our insurance business line.*

*In this quarter we were proud to host several of the bank's senior executives including Ignacio "Nacho" Deschamps, Group Head of International Banking and Digital Transformation. During the visit, we officially launched Trinidad & Tobago's first digital branch at Price Plaza, Chaguanas. This is in alignment with our digital transformation strategy, making it easier for our customers to do business with us across various channels.*

*In May, as part of the United Way Day Of Caring initiative, approximately 500 of our employees, friends and families came together to coordinate the distribution of emergency relief packages for communities across the country. The dedication shown by our team was exceptional and this underscored our commitment to helping our communities become better off.*

*In closing, I would like to thank our customers and employees for their continued support and contribution during the last quarter. Your dedication and commitment are the foundation of the continued success of our Bank.*

**“We officially launched Trinidad & Tobago's first digital branch at Price Plaza, Chaguanas”**

**Stephen Bagnarol**  
Managing Director

## To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of \$182 million for the quarter ended 31 July 2018, an increase of \$8 million or 5% over the same quarter last year. This represents a significant increase in profitability for this quarter with income after taxation increasing by \$20 million or 13% when compared to the previous quarter ended 30 April 2018.

Year to date income after taxation was \$491 million, a decrease of \$16 million or 3% when compared to the prior year. The lower profitability year over year is driven by the effect of the higher corporation tax rate, which resulted in an incremental \$37 million in tax expense in 2018.

Net interest income increased by \$34 million or 4% over the prior year, primarily driven by growth in the retail loans portfolio and higher investment income. Other income increased by \$40 million or 10% over the prior year driven by higher credit card activity as well as insurance revenues. Total assets stood at \$23.9 billion which is a decrease of \$100 million over the same period last year.

The Group continues to maintain operational efficiency as evidenced by a low productivity ratio of 39% which is the same as the comparative period last year. Loan loss expenses increased by \$18 million year over year as the Group continues to exercise a prudent risk management approach in managing its loan portfolio. The credit quality of our loan portfolio however continues to be strong as the ratio of non-accrual loans to total loans remained stable at 2.24% at the end of the period.

Based on these results, the Directors are pleased to announce a quarterly dividend of 50 cents per share (3rd quarter 2017 – 50 cents) payable on 18 October 2018 to shareholders on record as at 20 September 2018.

11 September, 2018



Brendan King  
Chairman



Stephen Bagnarol  
Managing Director

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

	UNAUDITED As at 31 July 2018	UNAUDITED As at 31 July 2017	AUDITED As at 31 October 2017
<b>ASSETS</b>			
Cash on hand and in transit	\$ 195,335	\$ 118,885	\$ 225,376
Due from banks and related companies	788,882	1,290,224	1,344,017
Treasury bills	4,132,091	3,541,832	3,925,171
Deposits with Central Bank	2,952,071	2,867,590	2,826,390
Net loans to customers	14,149,079	13,899,506	13,955,789
Investment securities	1,207,916	1,824,027	1,713,788
Investment in associated companies	31,609	30,141	30,447
Deferred tax assets	47,845	38,657	43,940
Property, plant and equipment	251,168	245,392	246,780
Miscellaneous assets	109,933	99,969	70,025
Retirement benefit asset	6,059	15,303	8,646
Goodwill	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>\$ 23,874,939</b>	<b>\$ 23,974,477</b>	<b>\$ 24,393,320</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	\$ 17,753,658	\$ 18,017,951	\$ 18,538,048
Due to banks and related companies	63,576	35,231	38,088
Other liabilities	378,520	501,936	314,678
Taxation payable	63,820	56,657	48,088
Policyholders' funds	1,408,065	1,310,629	1,332,623
Retirement benefit obligation	135,429	133,406	126,633
Deferred tax liabilities	56,982	31,207	40,769
<b>TOTAL LIABILITIES</b>	<b>19,860,050</b>	<b>20,087,017</b>	<b>20,438,927</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	688,201	678,032	688,201
Investment revaluation reserve	16,955	4,057	7,519
Retained earnings	3,042,170	2,937,808	2,991,110
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,014,889</b>	<b>3,887,460</b>	<b>3,954,393</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 23,874,939</b>	<b>\$ 23,974,477</b>	<b>\$ 24,393,320</b>

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

	UNAUDITED Three months ended 31 July 2018	UNAUDITED Three months ended 31 July 2017	UNAUDITED Nine months ended 31 July 2018	UNAUDITED Nine months ended 31 July 2017	AUDITED Year ended 31 October 2017
<b>NET INTEREST AND OTHER INCOME</b>					
Net Interest Income	\$ 326,586	\$ 317,896	\$ 963,804	\$ 929,449	\$ 1,244,236
Other Income	159,285	118,624	421,230	381,647	481,210
Total Revenue	485,871	436,520	1,385,034	1,311,096	1,725,446
<b>NON-INTEREST EXPENSES</b>	186,913	173,682	542,118	511,912	685,669
<b>INCOME BEFORE TAXATION AND LOAN LOSS</b>	298,958	262,838	842,916	799,184	1,039,777
Loan loss expense	26,213	21,438	98,119	79,930	105,597
<b>INCOME BEFORE TAXATION</b>	272,745	241,400	744,797	719,254	934,180
Provision for taxation	91,124	67,657	254,262	212,725	276,516
<b>INCOME AFTER TAXATION</b>	\$ 181,621	\$ 173,743	\$ 490,535	\$ 506,529	\$ 657,664
Dividends per share	50.0c	50.0c	150.0c	150.0c	300.0c
Earnings per share	103.0c	98.5c	278.2c	287.2c	372.9c

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

	UNAUDITED Three months ended 31 July 2018	UNAUDITED Three months ended 31 July 2017	UNAUDITED Nine months ended 31 July 2018	UNAUDITED Nine months ended 31 July 2017	AUDITED Year ended 31 October 2017
<b>NET INCOME FOR THE YEAR</b>	\$ 181,621	\$ 173,743	\$ 490,535	\$ 506,529	\$ 657,664
<b>OTHER COMPREHENSIVE INCOME</b>					
Remeasurement of post-employment benefits asset/obligation, net of tax	(6,431)	(1,753)	1,384	256	763
Revaluation of available-for-sale investments, net of tax	9,250	1,301	9,436	901	4,363
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	\$ 184,440	\$ 173,291	\$ 501,355	\$ 507,686	\$ 662,790

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

## FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JULY 2018



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

	UNAUDITED Nine months ended 31 July 2018	UNAUDITED Nine months ended 31 July 2017	AUDITED Year ended 31 October 2017
<b>Cash flows from operating activities</b>			
Net income after taxes	\$ 490,535	\$ 506,529	\$ 657,664
Change in loans	(207,654)	(628,432)	(684,976)
Change in deposits	(785,042)	447,497	967,231
Taxation paid	(228,968)	(256,455)	(326,277)
Other adjustments to reconcile income after taxation to net cash from operating activities	292,382	852,808	832,235
<b>Net cash from operating activities</b>	<b>\$ (438,747)</b>	<b>\$ 921,947</b>	<b>\$ 1,445,877</b>
<b>Cash flows used in investing activities</b>			
Change in Treasury Bills with original maturity date due over 3 months	\$ (207,308)	\$ (487,364)	\$ (859,796)
Change in investments	512,577	452,293	552,798
Purchase of property, plant and equipment	(11,306)	(10,880)	(14,428)
Proceeds from disposal of property, plant & equipment	467	240	240
<b>Net cash from (used in) investing activities</b>	<b>\$ 294,430</b>	<b>\$ (45,711)</b>	<b>\$ (321,186)</b>
<b>Cash flows used in financing activities</b>			
Dividends paid	(440,859)	(493,763)	(581,934)
<b>Net cash used in financing activities</b>	<b>\$ (440,859)</b>	<b>\$ (493,763)</b>	<b>\$ (581,934)</b>
<b>Increase in cash and cash equivalents</b>	<b>\$ (585,176)</b>	<b>\$ 382,473</b>	<b>\$ 542,757</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,569,393</b>	<b>1,026,636</b>	<b>1,026,636</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 984,217</b>	<b>\$ 1,409,109</b>	<b>\$ 1,569,393</b>
<b>Cash and cash equivalents</b>			
Cash on hand and in transit	\$ 195,335	\$ 118,885	\$ 225,376
Due from banks and related companies	788,882	1,290,224	1,344,017
<b>Cash and cash equivalents</b>	<b>\$ 984,217</b>	<b>\$ 1,409,109</b>	<b>\$ 1,569,393</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 2018</b>					
<b>Total Revenue</b>	\$ 1,244,243	5,162	133,061	2,569	1,385,034
<b>Material non-cash items</b>					
Depreciation	13,108	-	-	-	13,108
<b>Income before taxation</b>	<b>\$ 631,086</b>	<b>3,088</b>	<b>108,233</b>	<b>2,391</b>	<b>744,797</b>
<b>Assets</b>	<b>\$ 14,149,079</b>	<b>40,475</b>	<b>2,198,290</b>	<b>7,487,095</b>	<b>23,874,939</b>
<b>Liabilities</b>	<b>\$ 17,753,658</b>	<b>874</b>	<b>1,472,314</b>	<b>633,204</b>	<b>19,860,050</b>
<b>UNAUDITED</b>					
<b>Nine months ended 31 July 2017</b>					
<b>Total Revenue</b>	\$ 1,183,309	4,082	121,145	2,559	1,311,096
<b>Material non-cash items</b>					
Depreciation	13,686	-	-	-	13,686
<b>Income before taxation</b>	<b>\$ 616,922</b>	<b>2,452</b>	<b>97,349</b>	<b>2,532</b>	<b>719,254</b>
<b>Assets</b>	<b>\$ 13,899,506</b>	<b>35,177</b>	<b>1,948,376</b>	<b>8,044,908</b>	<b>23,927,967</b>
<b>Liabilities</b>	<b>\$ 18,017,951</b>	<b>571</b>	<b>1,331,920</b>	<b>690,065</b>	<b>20,040,507</b>
<b>AUDITED</b>					
<b>Year ended 31 October 2017</b>					
<b>Total Revenue</b>	\$ 1,562,272	5,628	154,123	3,423	1,725,446
<b>Material non-cash items</b>					
Depreciation	18,069	-	-	-	18,069
<b>Income before taxation</b>	<b>\$ 802,311</b>	<b>3,349</b>	<b>125,241</b>	<b>3,279</b>	<b>934,180</b>
<b>Assets</b>	<b>\$ 13,955,789</b>	<b>36,703</b>	<b>2,000,801</b>	<b>8,400,027</b>	<b>24,393,320</b>
<b>Liabilities</b>	<b>\$ 18,538,048</b>	<b>670</b>	<b>1,362,501</b>	<b>537,708</b>	<b>20,438,927</b>

### 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 2018</b>					
<b>Balance as at 31 October 2017</b>	\$ 267,563	688,201	7,519	2,991,110	3,954,393
Net income for the year	-	-	-	490,535	490,535
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	9,436	-	9,436
- Remeasurement of post-employment benefits asset/obligation	-	-	-	1,384	1,384
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>9,436</b>	<b>491,919</b>	<b>501,355</b>
<b>Transactions with owners, recorded directly into equity</b>					
Dividends paid	-	-	-	(440,859)	(440,859)
<b>Balance as at 31 July 2018</b>	<b>\$ 267,563</b>	<b>688,201</b>	<b>16,955</b>	<b>3,042,170</b>	<b>4,014,889</b>
<b>UNAUDITED</b>					
<b>Nine months ended 31 July 2017</b>					
<b>Balance as at 31 October 2016</b>	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	506,529	506,529
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	901	-	901
- Remeasurement of post-employment benefits asset/obligation	-	-	-	256	256
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>901</b>	<b>506,785</b>	<b>507,686</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	10,150	-	(10,150)	-
Dividends paid	-	-	-	(493,763)	(493,763)
	-	10,150	-	(503,913)	(493,763)
<b>Balance as at 31 July 2017</b>	<b>\$ 267,563</b>	<b>678,032</b>	<b>4,057</b>	<b>2,937,808</b>	<b>3,887,460</b>
<b>AUDITED</b>					
<b>Year ended 31 October 2017</b>					
<b>Balance as at 31 October 2016</b>	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	657,664	657,664
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	4,363	-	4,363
- Remeasurement of post-employment benefits asset/obligation	-	-	-	763	763
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>4,363</b>	<b>658,427</b>	<b>662,790</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	20,319	-	(20,319)	-
Dividends paid	-	-	-	(581,934)	(581,934)
	-	20,319	-	(602,253)	(581,934)
<b>Balance as at 31 October 2017</b>	<b>\$ 267,563</b>	<b>688,201</b>	<b>7,519</b>	<b>2,991,110</b>	<b>3,954,393</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 2017.

#### Comparative information

Comparative amounts in the Consolidated Statement of Income have been restated to conform to presentation changes in the current financial period.