Scotiabank

MEDIA RELEASE

For the Quarter ended January 31st, 2019

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Scotiabank reports 1st quarter results

FINANCIAL MEASURES:	THREE MONTHS ENDED 31 JANUARY 2019	THREE MONTHS ENDED 31 JANUARY 2018
Income after Taxation	$184 million	$145 million
Dividends per share	50.0c	50.0c
Earnings per share	104.6c	82.4c
Return on Equity	18.47%	14.94%
Return on Assets	3.06%	2.40%

Scotiabank Trinidad and Tobago Ltd (Scotiabank) today reported income after taxation of $184 million for quarter ended 31 January 2019, an increase of $39 million or 27% over the comparative period last year. The increase over the prior year was driven by growth in the retail and commercial loan portfolios together with a tax credit and lower impairment losses on financial assets.

Scotiabank continues to highlight its financial strength with Return on Equity at 18.47% and Return on Assets at 3.06%. Based on this performance, the Board of Directors has approved a 1st quarter dividend of 50 cents per ordinary share payable on 12 April 2019 to shareholders on record as at 22 March 2019.

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

"Our first quarter results are evidence of the Bank's strength and resilience despite the challenging economic climate in which we currently operate. Solid growth year over year of over $1 billion in loans to customers demonstrates that our distribution channels and sales and service culture remain core to us. Over the last five months, we have been engaging several clients in customer surveys where we are seeking to gain insights on areas that we can improve our performance. The feedback that we have received is helping us to improve our service and strengthen our relationship with our customers.

> ***"Scotia Alerts is a feature to monitor your accounts in real time"***
>
> **Stephen Bagnarol**
> Managing Director

Scotiabank

MEDIA RELEASE

For the Quarter ended October 31st 2018

The safety and security of our customer accounts and information remain top priority at Scotiabank. We have undertaken various initiatives to combat the disruptive attempts made by fraudsters, one of which is Scotia Alerts which is a feature to monitor your accounts in real time. I encourage you to make every effort to enable this feature on your accounts. Additionally, in conjunction with the Banker's Association of Trinidad and Tobago, we also continue to educate our customers and the general public on not divulging personal information and continuously being on guard against attempts to deceive and obtain information through fraudulent means.

I would also like to highlight the efforts of our many Scotiabank volunteers and how they positively impact the communities in which we operate. Within the global Bank of Nova Scotia footprint, Scotiabank Trinidad and Tobago has been recognized for Outstanding Community performance. In addition, Cindy Mohammed, Manager Public & Corporate Affairs has been recognized as the 'Community Champion." These awards are testament to the community spirit which we exhibit as we make a difference in the lives of our young people in Trinidad and Tobago.

In closing, I would like to take this opportunity to thank all of our stakeholders for your loyalty, commitment, trust and confidence you continue to show in us."

Scotiabank Trinidad and Tobago Limited takes this opportunity to thank all of our shareholders and customers for your loyalty, commitment, trust and confidence you continue to show in us. Our continued success is as a result of the great execution by our team of skilled and dedicated employees and we thank them for their professionalism and commitment.

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2019

Scotiabank*

To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of $184 million for the quarter ended 31 January 2019, an increase of $39 million or 27% over the same period last year. The increase over the prior year was driven by growth in the retail and commercial loan portfolios together with a tax credit and lower impairment losses on financial assets.

Net interest income increased by $11 million or 3% over the prior year, driven mainly by growth in the retail and commercial loans portfolio. Loans to customers registered strong growth of $1 billion or 7% year over year. Total assets increased by $748 million over last year and stood at $24.4 billion as at 31 January 2019. Deposits from customers showed an increase of $606 million or 4% for the first three months of the current financial year.

Net impairment losses decreased by $13 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. The credit quality of our loan portfolio continues to be strong as the ratio of non-accrual loans to total loans stood at 2.24% at the end of the period.

In this quarter the Group adopted accounting standard IFRS 9 which covers classification and measurement of financial assets as well as impairment of financial assets. This resulted in a charge to retained earnings of $76 million on adoption of IFRS 9 due to the re-measurement of impairment loss provisions. Comparative figures have been restated to conform to the new standard.

Based on these results, the Directors are pleased to announce a quarterly dividend of 50 cents per share (1st quarter 2018 – 50 cents) payable on 12 April 2019 to shareholders on record as at 22 March 2019.

12 March, 2019

Brendan King
Chairman

Stephen Bagnarol
Managing Director

CONSOLIDATED STATEMENT OF INCOME (STATED IN $'000)

	UNAUDITED Three months ended 31 January 2019	RESTATED Three months ended 31 January 2018	RESTATED Year ended 31 October 2018
REVENUE			
Net Interest Income	$ **331,663**	$ 320,961	$ 1,288,538
Other Income	**122,533**	123,935	544,456
Total Revenue	**454,196**	444,896	1,832,994
NON-INTEREST EXPENSES	**191,386**	174,146	736,963
INCOME BEFORE TAXATION AND LOAN LOSS	**262,810**	270,750	1,096,031
Net impairment loss on financial assets	**35,628**	48,680	147,898
INCOME BEFORE TAXATION	**227,182**	222,070	948,133
Provision for taxation	**42,760**	76,703	313,351
INCOME AFTER TAXATION	$ **184,422**	$ 145,367	$ 634,782
Dividends per share	**50.0c**	50.0c	300.0c
Earnings per share	**104.6c**	82.4c	360.0c

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

	UNAUDITED Three months ended 31 January 2019	RESTATED Three months ended 31 January 2018	RESTATED Year ended 31 October 2018
NET INCOME FOR THE YEAR	$ **184,422**	$ 145,367	$ 634,782
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	-	-	(153)
Revaluation of available-for-sale investments, net of tax	248	(1,920)	8,249
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	$ 184,670	$ 143,447	$ 642,878

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

	UNAUDITED As at 31 January 2019	RESTATED As at 31 January 2018	RESTATED As at 31 October 2018
ASSETS			
Cash on hand and in transit	$ **180,261**	101,078	$ 149,333
Loans and advances to banks and related companies	**606,869**	1,243,658	780,993
Treasury bills	**4,039,812**	3,483,694	3,554,534
Deposits with Central Bank	**2,605,082**	2,819,412	2,560,438
Loans to customers	**15,122,928**	14,083,738	14,438,499
Investment securities	**1,337,848**	1,370,172	1,359,547
Investment in associated companies	**33,838**	30,447	32,654
Deferred tax assets	**92,349**	82,784	89,087
Property and equipment	**255,523**	248,933	256,817
Miscellaneous assets	**123,761**	179,040	136,496
Defined benefit pension fund asset	-	6,927	-
Goodwill	**2,951**	2,951	2,951
TOTAL ASSETS	$ **24,401,222**	23,652,834	$ 23,361,349
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	$ **17,889,980**	17,789,261	$ 17,284,198
Deposits from banks and related companies	**537,701**	153,806	42,843
Other liabilities	**393,843**	330,157	386,949
Taxation payable	**54,853**	64,993	51,505
Policyholders' funds	**1,410,998**	1,376,035	1,412,729
Post-employment medical and life benefits obligation	**132,756**	129,565	129,673
Defined benefit pension fund liability	**3,988**	-	1,893
Deferred tax liabilities	**55,116**	42,100	49,726
TOTAL LIABILITIES	**20,479,235**	19,885,917	19,359,516
EQUITY			
Stated capital	**267,563**	267,563	267,563
Statutory reserve fund	**688,562**	688,201	688,562
Investment revaluation reserve	**16,016**	5,599	15,768
Retained earnings	**2,949,846**	2,805,554	3,029,940
TOTAL EQUITY	**3,921,987**	3,766,917	4,001,833
TOTAL LIABILITIES AND EQUITY	$ **24,401,222**	23,652,834	$ 23,361,349

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

	UNAUDITED Year ended 31 January 2019	RESTATED Year ended 31 October 2018
Cash flows from operating activities		
Net income after taxes	$ **184,422**	$ 634,782
Change in loans to customers	**(681,601)**	(613,704)
Change in deposits from customers	**605,266**	(1,254,112)
Taxation paid	**(74,984)**	(311,965)
Other adjustments to reconcile income after taxation to net cash from operating activities	**560,615**	692,547
Net cash from (used in) operating activities	$ **593,718**	$ (852,452)
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	$ **(485,297)**	$ 370,637
Change in investments	**15,475**	399,652
Purchase of property, plant and equipment	**(2,576)**	(28,340)
Proceeds from disposal of property, plant & equipment	-	467
Net cash from (used in) investing activities	$ **(472,398)**	$ 742,416
Cash flows used in financing activities		
Dividends paid	**(264,516)**	(529,031)
Net cash used in financing activities	$ **(264,516)**	$ (529,031)
Decrease in cash and cash equivalents	$ **(143,196)**	$ (639,067)
Cash and cash equivalents, beginning of period	**930,326**	1,569,393
Cash and cash equivalents, end of period	$ **787,130**	$ 930,326
Cash and cash equivalents		
Cash on hand and in transit	$ **180,261**	$ 149,333
Loans and advances to banks and related companies	**606,869**	780,993
Cash and cash equivalents	$ **787,130**	$ 930,326

SCOTIABANK TRINIDAD AND TOBAGO LIMITED
FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2019

Scotiabank*

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 2019					
Restated Balance as at 31 October 2018	267,563	688,562	15,768	3,029,940	4,001,833
Net income for the year	-	-	-	184,422	184,422
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	248	-	248
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	$ -	-	248	184,422	184,670
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(264,516)	(264,516)
	-	-	-	(264,516)	(264,516)
Balance as at 31 January 2019	**$ 267,563**	**688,562**	**16,016**	**2,949,846**	**3,921,987**
RESTATED					
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 impact of adopting IFRS 9	-	-	-	(66,407)	(66,407)
Restated Balance as at 31 October 2017	267,563	688,201	7,519	2,924,703	3,887,986
Net income for the year	-	-	-	145,367	145,367
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)	145,367	143,447
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(264,516)	(264,516)
	-	-	-	(264,516)	(264,516)
Restated balance as at 31 January 2018	$ 267,563	688,201	5,599	2,805,554	3,766,917
RESTATED					
Year ended 31 October 2018					
Balance as at 31 October 2017	$ 267,563	688,201	7,519	2,991,110	3,954,393
Net impact of adopting IFRS 9	-	-	-	(66,407)	(66,407)
Restated balance as at 31 October 2017	267,563	688,201	7,519	2,924,703	3,887,986
Net income for the year	-	-	-	634,782	634,782
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	8,249	-	8,249
- Remeasurement of post-employment benefits asset/obligation	-	-	-	(153)	(153)
Total comprehensive income	$ -	-	8,249	634,629	642,878
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	361	-	(361)	-
Dividends paid	-	-	-	(529,031)	(529,031)
	-	361	-	(529,392)	(529,031)
Restated balance as at 31 October 2018	$ 267,563	688,562	15,768	3,029,940	4,001,833

SEGMENT REPORTING (STATED IN $'000)

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED					
Three months ended 31 January 2019					
Total Revenue	$ 413,403	1,765	38,232	796	454,196
Material non-cash items					
Depreciation	4,390	-	-	-	4,390
Income before taxation	$ 196,739	844	28,882	717	227,182
Assets	$ 15,122,928	42,234	2,284,013	6,952,047	24,401,222
Liabilities	$ 17,889,980	560	1,471,833	1,116,862	20,479,235
RESTATED					
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	$ 189,942	878	30,429	821	222,070
Assets	$ 14,120,797	38,028	2,081,884	7,412,125	23,652,834
Liabilities	$ 17,789,261	967	1,420,629	675,060	19,885,917
RESTATED					
Year ended 31 October 2018					
Total Revenue	$ 1,657,245	6,940	165,391	3,418	1,832,994
Material non-cash items					
Depreciation	17,795	-	-	-	17,795
Income before taxation	$ 804,722	4,168	136,075	3,168	948,133
Assets	$ 14,479,460	41,250	2,219,882	6,620,757	23,361,349
Liabilities	$ 17,284,198	509	1,462,277	612,532	19,359,516

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 2018, except for the adoption of IFRS 9 - Financial Instruments, which was implemented effective 1 November, 2018.

IFRS 9
The Group adopted IFRS 9 - Financial Instruments, which is effective for the 2019 financial statements. The new standard has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilites as well as impairment of financial assets.

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

RECONCILIATION OF IAS 39 to IFRS 9 (STATED IN $'000)

	IAS 39 Carrying amount 31 October 2018	Remeasurement	IFRS 9 Carrying amount 1 November 2018
Loans to customers	$ 14,555,529	(117,030)	14,438,499
Deferred tax assets	$ 48,126	40,961	89,087
Total Assets	$ 23,437,418	(76,069)	23,361,349
Retained earnings	$ 3,106,009	(76,069)	3,029,940
Total Shareholders' Equity	$ 4,077,902	(76,069)	4,001,833

RECONCILIATION OF IMPAIRMENT ALLOWANCE FROM IAS 39 TO IFRS 9 (STATED IN $'000)

	IAS 39 Carrying amount 31 October 2018	Remeasurement	IFRS 9 Carrying amount 1 November 2018
IMPAIRMENT ALLOWANCE			
Loans and advances to customers	166,744	116,270	283,014
Deposits with financial institutions	-	26	26
Undrawn credit commitments	-	734	734
Total	$ 166,744	$ 117,030	$ 283,774