

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2024

# Scotiabank®

## To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited (The Group) has realised a profit after tax of \$323 million for the six months ended April 30th, 2024, an increase of \$11MM or 3% over the restated prior year. The restatement to the prior year arose from the adoption of IFRS 17 – Insurance Contracts, which replaced IFRS 4 effective November 1st, 2023, and impacted the recognition and measurement of insurance contracts in the Group's insurance subsidiary – Scotialife Trinidad and Tobago Limited.

Year to date, The Group recorded an increase in total revenue of \$33 million or 4%, driven mainly by growth in net interest income of \$39 million or 6%. This increase was achieved through continued strong growth in loan balances in both retail and commercial segments. The increase in net interest income was partially offset by declines in other income of \$5 million or 2%, arising from lower trading revenues.

The Group continues to navigate the impact of inflation, while also maintaining a focus on investing in our people, technology and customer experience. Non-interest expenses increased by \$34 million or 9% over the prior year. Despite this increase, our productivity ratio stands at 43% and remains the best in class in the local banking sector.

Sustainable growth remains at the forefront of The Group's risk culture, with Total Assets increasing by \$1.7 billion or 6%. The Group's largest interest-earning asset, loans to customers increased by \$1.3 billion or 7%. This growth was achieved whilst still maintaining a high level of credit quality, resulting in a small decline in the net impairment loss on financial assets and a ratio of non-performing loans to total loans below 2% of the total portfolio.

The increase in total assets was funded by an increase in deposits from customers of \$1.3 billion or 6%, demonstrating consumer confidence in our stability, and competitive rate offerings across all business segments.

The Board and its Management Team remains focused on maintaining shareholder value, through responsible capital management and high-quality customer experiences. This focus has allowed Scotiabank Trinidad and Tobago Limited to be named as the Best Bank by Global Finance in 2024.

Based on the above performance, we are pleased to announce that the Directors have approved a final dividend of 70c per share, payable to shareholders on the Register of Members at June 24, 2024, by July 15, 2024.

11 June, 2024

Derek Hudson  
Chairman

Gayle Pazos  
Managing Director

## Consolidated statement of profit or loss (stated in \$'000)

	UNAUDITED Three months ended 30 April 2024	RESTATED Three months ended 30 April 2023	AS PREVIOUSLY REPORTED Three months ended 30 April 2023	UNAUDITED Six months ended 30 April 2024	RESTATED Six months ended 30 April 2023	AS PREVIOUSLY REPORTED Six months ended 30 April 2023	RESTATED Year ended 31 October 2023	AUDITED Year ended 31 October 2023
<b>REVENUE</b>								
Net Interest Income*	354,581	334,955	354,126	700,998	662,047	694,515	1,395,742	1,414,069
Other Income*	124,407	130,556	122,212	259,188	264,489	279,646	538,763	523,142
<b>Total Revenue</b>	<b>478,988</b>	<b>465,511</b>	<b>476,338</b>	<b>960,186</b>	<b>926,536</b>	<b>974,161</b>	<b>1,934,505</b>	<b>1,937,211</b>
<b>EXPENSES</b>								
Non-Interest Expenses*	211,771	197,462	206,596	411,803	377,972	394,281	829,517	809,547
Net impairment loss on financial assets	25,899	34,178	34,178	56,354	57,072	57,072	105,891	105,891
<b>PROFIT BEFORE TAXATION</b>	<b>241,318</b>	<b>233,870</b>	<b>235,564</b>	<b>492,029</b>	<b>491,491</b>	<b>522,808</b>	<b>999,097</b>	<b>1,021,773</b>
Income tax expense	82,062	80,874	80,874	168,506	178,854	178,854	343,782	343,782
<b>PROFIT AFTER TAXATION</b>	<b>159,256</b>	<b>152,996</b>	<b>154,690</b>	<b>323,523</b>	<b>312,637</b>	<b>343,954</b>	<b>655,315</b>	<b>677,991</b>
Dividends per share	70.0c	70.0c	70.0c	145.0c	140.0c	140.0c	280.0c	280.0c
Earnings per share	90.3c	86.8c	87.7c	183.5c	177.3c	195.0c	371.6c	384.5c

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

	UNAUDITED Three months ended 30 April 2024	RESTATED Three months ended 30 April 2023	AS PREVIOUSLY REPORTED Three months ended 30 April 2023	UNAUDITED Six months ended 30 April 2024	RESTATED Six months ended 30 April 2023	AS PREVIOUSLY REPORTED Six months ended 30 April 2023	RESTATED Year ended 31 October 2023	AUDITED Year ended 31 October 2023
<b>PROFIT AFTER TAXATION</b>	<b>159,256</b>	<b>152,996</b>	<b>154,690</b>	<b>323,523</b>	<b>312,637</b>	<b>343,954</b>	<b>655,315</b>	<b>677,991</b>
<b>OTHER COMPREHENSIVE INCOME</b>								
Remeasurement of post-employment benefits asset/obligation, net of tax	1,027	6,439	6,439	1,027	6,439	6,439	(21,392)	(21,392)
Fair value remeasurement of debt instruments at FVOCI, net of tax	30,090	12,510	14,861	8,583	27,229	27,229	45,264	45,264
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>190,373</b>	<b>171,945</b>	<b>175,990</b>	<b>333,133</b>	<b>346,305</b>	<b>377,622</b>	<b>679,187</b>	<b>701,863</b>

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

	UNAUDITED As at 30 April 2024	RESTATED As at 30 April 2023	AS PREVIOUSLY REPORTED 30 April 2023	RESTATED As at 31 October 2023	AUDITED As at 31 October 2023
<b>ASSETS</b>					
Cash on hand and in transit	209,400	153,316	153,316	187,028	187,028
Loans and advances to banks and related companies	927,591	511,102	506,973	1,090,429	1,090,429
Treasury bills	2,244,551	2,196,365	2,196,365	1,869,820	1,869,820
Deposits with Central Bank	3,052,582	2,923,815	2,923,815	3,193,913	3,193,913
Loans to customers	19,516,463	18,197,899	18,197,899	18,604,223	18,604,223
Investment securities	3,693,923	4,121,990	4,121,990	4,088,677	4,088,677
Investment in associated companies	52,384	45,872	45,872	48,806	48,806
Deferred tax assets	111,995	98,496	98,496	72,345	72,345
Property and equipment	327,736	345,417	345,417	336,472	336,472
Insurance and reinsurance contract assets*	63,474	49,843	-	54,265	-
Miscellaneous assets	30,027	34,799	32,647	50,218	50,218
Defined benefit pension fund asset	117,260	152,194	152,194	111,147	111,147
Goodwill	2,951	2,951	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>30,350,337</b>	<b>28,834,059</b>	<b>28,777,935</b>	<b>29,710,294</b>	<b>29,656,029</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from customers	22,595,737	21,258,130	21,258,130	22,028,144	22,028,144
Deposits from banks and related companies	179,242	368,191	368,191	322,524	322,524
Other liabilities*	756,008	645,946	623,291	775,600	752,547
Taxation payable	80,600	82,988	82,988	77,771	77,771
Policyholders' funds*	1,920,930	1,804,558	1,793,999	1,817,788	1,783,773
Post-employment medical and life benefits obligation	203,024	193,555	193,555	193,044	193,044
Deferred tax liabilities	70,948	65,923	65,923	29,009	29,009
<b>TOTAL LIABILITIES</b>	<b>25,806,489</b>	<b>24,419,291</b>	<b>24,386,077</b>	<b>25,243,880</b>	<b>25,186,812</b>
<b>EQUITY</b>					
Stated capital	267,563	267,563	267,563	267,563	267,563
Statutory reserve fund	892,055	880,995	880,995	882,055	882,055
Investment revaluation reserve	(3,278)	4,457	(2,753)	(11,861)	15,282
Retained earnings	3,875,508	3,261,753	3,246,053	3,328,657	3,304,317
<b>TOTAL EQUITY</b>	<b>4,543,848</b>	<b>4,414,768</b>	<b>4,391,858</b>	<b>4,466,414</b>	<b>4,469,217</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>30,350,337</b>	<b>28,834,059</b>	<b>28,777,935</b>	<b>29,710,294</b>	<b>29,656,029</b>

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

	UNAUDITED Six months ended 30 April 2024	RESTATED Six months ended 30 April 2023	AS PREVIOUSLY REPORTED Three months ended 30 April 2023	AUDITED Year ended 31 October 2023
<b>Cash flows from operating activities</b>				
Profit for the year	323,523	312,637	343,954	677,991
Change in loans to customers	(1,045,788)	(887,403)	(887,403)	(1,460,016)
Change in deposits from customers	561,150	364,226	364,226	1,124,999
Taxation paid	(167,032)	(154,389)	(154,389)	(370,403)
Other adjustments to reconcile income after taxation to net cash from operating activities	36,550	(32,143)	(63,460)	954,532
<b>Net cash from operating activities</b>	<b>(291,597)</b>	<b>(397,072)</b>	<b>(397,072)</b>	<b>927,103</b>
<b>Cash flows used in investing activities</b>				
Change in Treasury Bills with original maturity date due over 3 months	271,148	1,471,510	1,471,510	820,963
Change in investments	394,754	410,284	410,284	(231,041)
Purchase of property and equipment	(26,456)	(4,467)	(4,467)	(12,563)
Proceeds from disposal of property and equipment	-	14,809	14,809	-
<b>Net cash used in investing activities</b>	<b>639,446</b>	<b>1,892,136</b>	<b>1,892,136</b>	<b>577,359</b>
<b>Cash flows used in financing activities</b>				
Payment of lease liabilities	(1,197)	(12,095)	(12,095)	(19,281)
Dividends paid	(255,699)	(299,784)	(299,784)	(546,666)
<b>Net cash used in financing activities</b>	<b>(256,896)</b>	<b>(311,879)</b>	<b>(311,879)</b>	<b>(565,947)</b>
Increase (Decrease) in cash and cash equivalents	90,953	1,183,185	1,183,185	938,515
<b>Cash and cash equivalents, beginning of period</b>	<b>2,610,148</b>	<b>1,671,633</b>	<b>1,671,633</b>	<b>1,671,633</b>
<b>Cash and cash equivalents, end of period</b>	<b>2,701,101</b>	<b>2,854,818</b>	<b>2,854,818</b>	<b>2,610,148</b>
<b>Cash and cash equivalents represented by:</b>				
Cash on hand and in transit	209,400	153,316	153,316	187,028
Loans and advances to banks and related companies	927,591	506,973	506,973	1,090,429
Treasury Bills with original maturity date not exceeding 3 months	503,130	1,579,388	1,579,388	795,000
Surplus deposits with Central Bank	1,060,980	615,141	615,141	537,691
<b>Cash and cash equivalents</b>	<b>2,701,101</b>	<b>2,854,818</b>	<b>2,854,818</b>	<b>2,610,148</b>

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2024

# Scotiabank®

## 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>Six months' ended 30 April 2024</b>					
Balance as at 31 October 2023	267,563	882,055	15,282	3,304,317	4,469,217
Restatement with respect to change in accounting standards	-	-	(27,143)	24,340	(2,803)
Balance as at 31 October 2023 (Restated)	267,563	882,055	(11,861)	3,328,657	4,466,414
Profit for the year	-	-	-	323,523	323,523
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	8,583	-	8,583
- Remeasurement of post-employment benefits asset/obligation	-	-	-	1,027	1,027
<b>Total comprehensive income</b>	-	-	8,583	324,550	333,133
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	10,000	-	(10,000)	-
Dividends paid	-	-	-	(255,699)	(255,699)
	-	10,000	-	(265,699)	(255,699)
<b>Balance as at 30 April 2024</b>	<b>267,563</b>	<b>892,055</b>	<b>(3,278)</b>	<b>3,387,508</b>	<b>4,543,848</b>
<b>RESTATE</b>					
<b>Six months' ended 30 April 2023</b>					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,243,356	4,361,037
Profit for the year	-	-	-	312,637	312,637
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	34,439	-	34,439
- Remeasurement of post-employment benefits asset/obligation	-	-	-	6,439	6,439
<b>Total comprehensive income</b>	-	-	34,439	319,076	353,515
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	895	-	(895)	-
Dividends paid	-	-	-	(299,784)	(299,784)
	-	895	-	(300,679)	(299,784)
<b>Balance as at 30 April 2023</b>	<b>267,563</b>	<b>880,995</b>	<b>4,457</b>	<b>3,261,753</b>	<b>4,414,768</b>
<b>AS PREVIOUSLY REPORTED</b>					
<b>Six months' ended 30 April 2023</b>					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020
Profit for the year	-	-	-	343,954	343,954
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	27,229	-	27,229
- Remeasurement of post-employment benefits asset/obligation	-	-	-	6,439	6,439
<b>Total comprehensive income</b>	-	-	27,229	350,393	377,622
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	895	-	(895)	-
Dividends paid	-	-	-	(299,784)	(299,784)
	-	895	-	(300,679)	(299,784)
<b>Balance as at 30 April 2023</b>	<b>267,563</b>	<b>880,995</b>	<b>(2,753)</b>	<b>3,246,053</b>	<b>4,391,858</b>
<b>AUDITED</b>					
<b>Year ended 31 October 2023</b>					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020
Profit for the year	-	-	-	677,991	677,991
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	-	(21,392)	(21,392)
- Remeasurement of post-employment benefits asset/obligation	-	-	45,264	-	45,264
<b>Total comprehensive income</b>	-	-	45,264	656,599	701,863
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	1,955	-	(1,955)	-
Dividends paid	-	-	-	(546,666)	(546,666)
	-	1,955	-	(548,621)	(546,666)
<b>Balance as at 31 October 2023</b>	<b>267,563</b>	<b>882,055</b>	<b>15,282</b>	<b>3,304,317</b>	<b>4,469,217</b>

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

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Total
<b>UNAUDITED</b>				
<b>Six months ended 30 April 2024</b>				
<b>Total Revenue</b>	880,431	14,453	65,301	478,988
<b>Material non-cash items</b>				
Depreciation	17,247	-	-	17,247
<b>Income before taxation</b>	420,192	8,449	63,386	241,318
<b>Assets</b>	27,437,094	50,980	2,862,263	30,350,337
<b>Liabilities</b>	23,805,273	5,342	1,995,875	25,806,489
<b>RESTATE</b>				
<b>Six months ended 30 April 2023</b>				
<b>Total Revenue</b>	879,636	9,293	37,607	926,536
<b>Material non-cash items</b>				
Depreciation	17,111	-	-	17,111
<b>Income before taxation</b>	446,719	7,766	37,006	491,491
<b>Assets</b>	26,060,749	49,238	2,724,072	28,834,059
<b>Liabilities</b>	22,524,866	4,669	1,889,756	24,419,291
<b>AS PREVIOUSLY REPORTED</b>				
<b>Six months ended 30 April 2023</b>				
<b>Total Revenue</b>	879,636	9,293	85,232	974,161
<b>Material non-cash items</b>				
Depreciation	17,111	-	-	17,111
<b>Income before taxation</b>	446,719	7,766	68,323	522,808
<b>Assets</b>	26,060,749	49,238	2,667,948	28,777,935
<b>Liabilities</b>	22,524,866	4,669	1,856,542	24,386,077
<b>AUDITED</b>				
<b>Year ended 31 October 2023</b>				
<b>Total Revenue</b>	1,732,420	19,802	184,989	1,937,211
<b>Material non-cash items</b>				
Depreciation	32,399	-	-	32,399
<b>Income before taxation</b>	854,089	15,244	152,440	1,021,773
<b>Assets</b>	26,930,443	44,829	2,680,757	29,656,029
<b>Liabilities</b>	23,320,729	5,139	1,860,944	25,186,812

### 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 2023, except for the adoption of IFRS 17 - Insurance Contracts. \*

#### IFRS 17 - Insurance Contracts

IFRS 17, Insurance Contracts, which is effective for annual reporting periods beginning on or after January 1, 2023, provides a comprehensive principle-based framework for the measurement and presentation of all insurance contracts. The new standard replaces IFRS 4 Insurance Contracts and requires insurance contracts to be measured at their current fulfilment value, using one of three measurement models, depending on the nature of the contract. IFRS 17 introduces three measurement models: the general model, the premium allocation approach, and the variable fee approach.

#### Comparative information

Comparative amounts in these Financial Statements have been restated to conform to presentation changes in the current financial period for the following:

#### Consolidated Statement of Comprehensive Income

**Net Interest Income** - These amounts were restated to include interest accreted on present value cash flows, such as the interest accumulated on the Contractual Service Margin (CSM).

**Other Income** - These amounts were restated to include releases of revenue and expenses on the insurance operations, including amortization of Contractual Service Margin and Risk Adjustment for the period.

**Non-Interest Expenses** - These amounts were restated to include expenses not directly attributable to the acquisition or maintenance of insurance contracts.

#### Consolidated Statement of Financial Position

Insurance and reinsurance contract assets - These amounts were previously reported in the miscellaneous assets and have now been reclassified to a separate line in the statement of financial position. It represents amounts due from reinsurance contracts.

**Other liabilities** - These amounts were restated to include segregated fund liabilities, which represent the amounts invested by policyholders in savings and wealth insurance products.

**Policyholders' funds** - These amounts were restated to include the Liability for Incurred Claims to policyholders and the Liability for Remaining Coverage.