

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2024

## To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited (The Group) has realised a profit after tax of \$658 million for the year ended October 31st, 2024, an increase of \$3MM or 1% over the restated prior year. The prior year restatement arose from the adoption of IFRS 17 – Insurance Contracts, which replaced IFRS 4 effective November 1st, 2023. This change in standard impacted the recognition and measurement of insurance contracts in the Group's insurance subsidiary – Scotialife Trinidad and Tobago Limited.

For the year, The Group recorded an increase in total revenue of \$67 million or 4%, driven mainly by growth in net interest income of \$90 million or 7%. This increase was achieved through continued strong expansion in loan balances in both retail and commercial segments. Other income decreased by \$23 million or 4% arising from lower trading revenue due to market dynamics. Our Insurance and Wealth segments performed very well in 2024, experiencing growth in revenues of \$19 million or 15% and \$9 million or 46% respectively.

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 \$63 million or 8% 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 \$2.2 billion or 11%. This growth was achieved while still maintaining a high level of credit quality, resulting in a small decline in the net impairment loss on financial assets and the ratio of non-performing loans to total loans below 2% of the total portfolio.

The increase in total assets was partially funded by an increase in deposits from customers of \$0.9 billion or 4%, demonstrating consumer confidence in our stability, and competitive rate offerings across all business segments. We also increased funding from banks and related companies by \$0.6 billion. As noted above, our insurance segment continues to perform very well resulting in a \$141 million or 8% increase in policyholder liabilities during 2024.

The Bank's performance and dedication to improving our customer experience during 2024 has been recognized by various internationally acclaimed bodies including Euromoney and Global Finance. Our effort to improve the digital offerings to customers has resulted in Scotiabank Trinidad and Tobago Limited being recognized by Global Finance as Trinidad and Tobago's Best Consumer Digital Bank 2024 and Best Mobile Banking App 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 as of December 23rd, 2024. This dividend will be paid by January 13th, 2025. This brings the total dividend paid to shareholders to \$2.85 per share an increase of 2% over the dividends paid in 2023.

Derek Hudson  
Chairman

Gayle Pazos  
Managing Director

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

	UNAUDITED As at 31 October 2024	RESTATED As at 31 October 2023	AUDITED As at 31 October 2023
<b>ASSETS</b>			
Cash on hand and in transit	203,404	187,028	187,028
Loans and advances to banks and related companies	529,828	1,090,429	1,090,429
Treasury bills	3,113,181	1,869,820	1,869,820
Deposits with Central Bank	2,666,065	3,193,913	3,193,913
Loans to customers	20,726,278	18,604,223	18,604,223
Investment securities	3,453,357	4,088,677	4,088,677
Investment in associated companies	55,600	48,806	48,806
Deferred tax assets	64,167	72,345	72,345
Property and equipment	329,590	336,472	336,472
Insurance and reinsurance contract assets	45,969	39,844	-
Miscellaneous assets	132,303	50,217	50,218
Defined benefit pension fund asset	115,933	111,147	111,147
Goodwill	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>31,438,626</b>	<b>29,695,872</b>	<b>29,656,029</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits from customers	22,959,887	22,028,144	22,028,144
Deposits from banks and related companies	912,653	322,524	322,524
Other liabilities	763,562	744,196	752,547
Taxation payable	81,961	77,771	77,771
Policyholders' funds	1,892,635	1,834,770	1,783,773
Post-employment medical and life benefits obligation	196,941	193,044	193,044
Deferred tax liabilities	26,734	29,009	29,009
<b>TOTAL LIABILITIES</b>	<b>26,834,373</b>	<b>25,229,458</b>	<b>25,186,812</b>
<b>EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	968,286	882,055	882,055
Investment revaluation reserve	(33,544)	(11,861)	15,282
Retained earnings	3,401,948	3,328,657	3,304,317
<b>TOTAL EQUITY</b>	<b>4,604,253</b>	<b>4,466,414</b>	<b>4,469,217</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31,438,626</b>	<b>29,695,872</b>	<b>29,656,029</b>

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

	UNAUDITED Three months ended 31 October 2024	RESTATED Three months ended 31 October 2023	AS PREVIOUSLY REPORTED Three months ended 31 October 2023	UNAUDITED Year ended 31 October 2024	RESTATED Year ended 31 October 2023	AUDITED Year ended 31 October 2023
<b>REVENUE</b>						
Net Interest Income	373,450	334,510	356,164	1,432,183	1,342,165	1,414,069
Other Income	128,258	149,562	126,012	516,085	539,230	523,142
<b>Total Revenue</b>	<b>501,708</b>	<b>484,072</b>	<b>482,176</b>	<b>1,948,268</b>	<b>1,881,395</b>	<b>1,937,211</b>
<b>EXPENSES</b>						
Non-Interest Expenses	213,552	198,778	206,364	839,427	776,407	809,547
Net impairment loss on financial assets	32,908	21,528	21,528	100,910	105,891	105,891
<b>PROFIT BEFORE TAXATION</b>	<b>255,248</b>	<b>263,766</b>	<b>254,284</b>	<b>1,007,931</b>	<b>999,097</b>	<b>1,021,773</b>
Income tax expense	85,114	78,153	78,153	349,437	343,782	343,782
<b>PROFIT AFTER TAXATION</b>	<b>170,134</b>	<b>185,613</b>	<b>176,131</b>	<b>658,494</b>	<b>655,315</b>	<b>677,991</b>
Dividends per share	70.0c	70.0c	70.0c	285.0c	280.0c	280.0c
Earnings per share	96.5c	105.2c	99.9c	373.4c	371.6c	384.5c

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

	UNAUDITED Three months ended 31 October 2024	RESTATED Three months ended 31 October 2023	AS PREVIOUSLY REPORTED Three months ended 31 October 2023	UNAUDITED Year ended 31 October 2024	RESTATED Year ended 31 October 2023	AUDITED Year ended 31 October 2023
<b>PROFIT AFTER TAXATION</b>	<b>170,134</b>	<b>185,613</b>	<b>176,131</b>	<b>658,494</b>	<b>655,315</b>	<b>677,991</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Remeasurement of post-employment benefits asset/obligation, net of tax	2,798	(21,509)	(21,509)	3,608	(21,392)	(21,392)
Fair value remeasurement of debt instruments at FVOCI, net of tax	(176)	(25,925)	13,387	(21,683)	18,121	45,264
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>172,756</b>	<b>138,179</b>	<b>168,009</b>	<b>640,419</b>	<b>652,044</b>	<b>701,863</b>

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

	UNAUDITED Nine months ended 31 October 2024	RESTATED Year ended 31 October 2023	AUDITED Year ended 31 October 2023
<b>Cash flows from operating activities</b>			
Profit for the year	658,494	655,315	677,991
Change in loans to customers	(1,292,540)	(997,989)	(1,460,016)
Change in deposits from customers	915,588	691,067	1,124,999
Taxation paid	(354,021)	(201,682)	(370,403)
Other adjustments to reconcile income after taxation to net cash from operating activities	497,428	(933,638)	954,532
<b>Net cash from operating activities</b>	<b>424,949</b>	<b>(786,927)</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	589,660	1,231,760	820,963
Change in investments	(139,428)	1,052,869	(231,041)
Purchase of property and equipment	(35,212)	(7,279)	(12,563)
Proceeds from disposal of property and equipment	-	15,670	-
<b>Net cash used in investing activities</b>	<b>415,020</b>	<b>2,293,020</b>	<b>577,359</b>
<b>Cash flows used in financing activities</b>			
Payment of lease liabilities	(19,449)	(12,095)	(19,281)
Dividends paid	(502,580)	(555,483)	(546,666)
<b>Net cash used in financing activities</b>	<b>(522,029)</b>	<b>(567,578)</b>	<b>(565,947)</b>
Increase (Decrease) in cash and cash equivalents	317,940	938,515	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>Cash and cash equivalents, end of period</b>	<b>2,928,088</b>	<b>2,610,148</b>	<b>2,610,148</b>
<b>Cash and cash equivalents represented by:</b>			
Cash on hand and in transit	203,404	187,208	187,028
Loans and advances to banks and related companies	529,828	1,090,429	1,090,429
Treasury Bills with original maturity date not exceeding 3 months	814,000	795,000	795,000
Surplus deposits with Central Bank	1,380,856	537,691	537,691
<b>Cash and cash equivalents</b>	<b>2,928,088</b>	<b>2,610,148</b>	<b>2,610,148</b>

# Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2024

## 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 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	-	-	-	658,494	658,494
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	(21,683)	-	(21,683)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	3,608	3,608
Total comprehensive income	-	-	(21,683)	662,102	640,419
<b>Transactions with equity owners of Scotiabank</b>					
Transfer to statutory reserve	-	86,231	-	(86,231)	-
Dividends paid	-	-	-	(502,580)	(502,580)
	-	86,231	-	(588,811)	(502,580)
Balance as at 31 October 2024	267,563	968,286	(33,544)	3,401,948	4,604,253
<b>RESTATED</b>					
<b>Year ended 31 October 2023</b>					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,243,355	4,361,036
Profit for the year	-	-	-	655,315	655,315
<b>Other comprehensive income, net of tax</b>					
- Fair value remeasurement of FVOCI investments	-	-	18,121	-	18,121
- Remeasurement of post-employment benefits asset/obligation	-	-	-	(21,392)	(21,392)
Total comprehensive income	-	-	18,121	633,923	652,044
<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)
Balance as at 31 October 2023	267,563	882,055	(11,861)	3,328,657	4,466,414
<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
Total comprehensive income	-	-	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)
Balance as at 31 October 2023	267,563	882,055	15,282	3,304,317	4,469,217

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

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Total
<b>UNAUDITED</b>				
<b>Year ended 31 October 2024</b>				
Total Revenue	1,771,181	28,986	148,101	1,948,268
<b>Material non-cash items</b>				
Depreciation	35,445	-	-	35,445
<b>Income before taxation</b>	846,245	17,710	143,976	1,007,931
<b>Assets</b>	28,579,659	48,314	2,810,653	31,438,626
<b>Liabilities</b>	24,854,901	6,079	1,973,402	26,834,373
<b>RESTATED</b>				
<b>Year ended 31 October 2023</b>				
Total Revenue	1,732,419	19,802	129,174	1,881,395
<b>Material non-cash items</b>				
Depreciation	34,665	-	-	34,665
Income before taxation	854,088	15,245	129,764	999,097
<b>Assets</b>	26,969,582	44,829	2,681,461	29,695,872
<b>Liabilities</b>	23,359,867	5,139	1,864,452	25,229,458
<b>AUDITED</b>				
<b>Year ended 31 October 2023</b>				
Total Revenue	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.