

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2015



## To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd. ("the Group") realised net income after tax of \$135 million for the quarter ended 31 January 2015.

The Group continues to excel in its sales and origination efforts in both retail and corporate/commercial segments, with net loans increasing by \$1.8 billion (17%) over 2014. Our strong growth in loans was partially offset by the continued challenging low interest rate environment, but we still were able to realise a 3% increase in net interest income. Total assets ended the period at \$21.6 billion, representing growth of \$1.8 billion or 9% over the prior year driven by the growth in loans, whilst we continue to see healthy increases in our deposits, which increased by approximately \$1.6 billion or 9.5% over 2014.

The decline in net income this quarter is largely attributable to the Group increasing its provision for credit losses by \$12 million over 2014. The decision reflects our prudent risk management principles in a period of uncertainty in the local and global economic environment.

Based on these results, the Directors are pleased to announce a quarterly dividend of 40 cents per share (2014 - 40 cents), payable on 8 April 2015 to shareholders on record as of 9 March 2015.

2 March 2015

Sylvia D. Chrominska  
Chairperson

Anya M. Schnoor  
Managing Director

### Consolidated Statement of Financial Position (Stated In \$'000)

	UNAUDITED As at 31 January 2015	UNAUDITED As at 31 January 2014	AUDITED As at 31 October 2014
<b>ASSETS</b>			
Cash on hand and in transit	\$ 122,277	\$ 119,843	\$ 127,825
Due from banks and related companies	1,919,497	1,833,402	1,610,631
Treasury bills	1,396,312	2,349,482	1,883,136
Deposits with Central Bank	3,460,058	3,160,520	3,333,686
Net loans to customers	12,644,952	10,801,513	11,818,555
Investment securities	1,702,784	1,178,859	1,574,994
Investment in associate companies	24,118	21,463	24,118
Property, plant and equipment	247,989	242,559	244,728
Miscellaneous assets	68,844	93,128	58,568
Goodwill	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>\$ 21,589,782</b>	<b>\$ 19,803,720</b>	<b>\$ 20,679,192</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	\$ 16,062,376	\$ 14,659,180	\$ 15,211,730
Due to banks and related companies	25,773	75,510	39,954
Other liabilities	338,103	282,984	319,753
Provision for taxation	36,000	34,704	17,378
Policyholders' funds	931,659	773,061	908,971
Debt security in issue	618,000	618,000	618,000
Deferred tax liability	44,407	30,448	37,752
<b>TOTAL LIABILITIES</b>	<b>18,056,318</b>	<b>16,473,887</b>	<b>17,153,538</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	607,563	532,563	582,563
Investment revaluation reserve	26,253	37,464	29,648
Retained earnings	2,632,085	2,492,243	2,645,880
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,533,464</b>	<b>3,329,833</b>	<b>3,525,654</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 21,589,782</b>	<b>\$ 19,803,720</b>	<b>\$ 20,679,192</b>

### Consolidated Statement of Income (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2015	UNAUDITED Three months ended 31 January 2014	AUDITED Year ended 31 October 2014
<b>NET INTEREST AND OTHER INCOME</b>			
Net Interest Income	\$ 231,002	\$ 223,647	\$ 888,872
Other Income	124,598	131,065	493,783
<b>TOTAL REVENUE</b>	<b>355,600</b>	<b>354,712</b>	<b>1,382,655</b>
<b>NON-INTEREST EXPENSES</b>			
	<b>163,080</b>	<b>159,599</b>	<b>638,789</b>
<b>INCOME BEFORE TAXATION AND LOAN LOSS</b>	<b>192,520</b>	<b>195,113</b>	<b>743,866</b>
Loan loss expense	16,021	4,392	28,357
<b>INCOME BEFORE TAXATION</b>	<b>176,499</b>	<b>190,721</b>	<b>715,509</b>
Provision for taxation	41,853	46,460	155,567
<b>INCOME AFTER TAXATION</b>	<b>\$ 134,646</b>	<b>\$ 144,261</b>	<b>\$ 559,942</b>
Dividends per share	40.0c	40.0c	190.0c
Earnings per share	76.4c	81.8c	317.5c
Return on Equity	15.13%	17.23%	16.38%
Return on Total Assets	2.53%	2.91%	2.79%

### Consolidated Statement of Total Comprehensive Income (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2015	UNAUDITED Three months ended 31 January 2014	AUDITED Year ended 31 October 2014
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 134,646</b>	<b>\$ 144,261</b>	<b>\$ 559,942</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurement of defined benefit liability (asset), net of tax	-	-	(432)
Revaluation of available-for-sale investments, net of tax	(3,395)	(3,980)	(11,796)
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>\$ 131,251</b>	<b>\$ 140,281</b>	<b>\$ 547,714</b>

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2015



## Consolidated Statement of Cash Flows (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2015	UNAUDITED Three months ended 31 January 2014	AUDITED Year ended 31 October 2014
<b>Cash flows from operating activities</b>			
Net income before taxes	\$ 176,499	\$ 190,721	\$ 715,509
Change in loans	(834,301)	(225,903)	(1,249,187)
Change in deposits	850,930	267,732	821,674
Taxation paid	(27,744)	(39,086)	(159,539)
Other adjustments to reconcile income before taxation to net cash from operating activities	(72,461)	(11,414)	1,688
<b>Net cash from operating activities</b>	<b>\$ 92,923</b>	<b>\$ 182,050</b>	<b>\$ 130,145</b>
<b>Cash flows used in investing activities</b>			
Change in Treasury bills with original maturity date due over 3 months	\$ 328,698	\$ (293,912)	\$ 238,221
Change in investments	(143,596)	4,127	(397,977)
Purchase of property, plant and equipment	(9,542)	(3,227)	(18,728)
Proceeds from disposal of property, plant & equipment	-	-	367
<b>Net cash from (used in) investing activities</b>	<b>\$ 175,560</b>	<b>\$ (293,011)</b>	<b>\$ (178,117)</b>
<b>Cash flows used in financing activities</b>			
Dividends paid	(123,441)	(123,441)	(335,053)
<b>Net cash used in financing activities</b>	<b>\$ (123,441)</b>	<b>\$ (123,441)</b>	<b>\$ (335,053)</b>
Increase (Decrease) in cash and cash equivalents	\$ 145,042	\$ (234,402)	\$ (383,025)
<b>Cash and cash equivalents, beginning of period</b>	<b>2,096,731</b>	<b>2,479,756</b>	<b>2,479,756</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,241,773</b>	<b>\$ 2,245,354</b>	<b>\$ 2,096,731</b>
<b>Cash and cash equivalents</b>			
Cash on hand and in transit	\$ 122,277	\$ 119,843	\$ 127,825
Due from banks and related companies	1,919,497	1,833,402	1,610,631
Treasury bills with original maturity date not exceeding 3 months	199,999	292,109	358,275
<b>Cash and cash equivalents</b>	<b>\$ 2,241,773</b>	<b>\$ 2,245,354</b>	<b>\$ 2,096,731</b>

## Segment Reporting For The Period Ended 31 January 2015 (Stated In \$'000)

	Retail Corporate & Commercial Banking	Trust & Merchant Banking	Insurance Services	Other	Total
<b>UNAUDITED Three months ended 31 January 2015</b>					
<b>Total Revenue</b>	\$ 306,458	2,324	45,982	835	355,600
<b>Material non-cash items</b>					
Depreciation	\$ 4,207	22	-	-	4,229
<b>Income before taxation</b>	<b>134,158</b>	<b>2,952</b>	<b>38,566</b>	<b>823</b>	<b>176,499</b>
<b>Assets</b>	<b>\$ 12,644,952</b>	<b>247,333</b>	<b>1,657,174</b>	<b>7,040,323</b>	<b>21,589,782</b>
<b>Liabilities</b>	<b>\$ 16,062,376</b>	<b>8,017</b>	<b>1,014,514</b>	<b>971,411</b>	<b>18,056,318</b>
<b>UNAUDITED Three months ended 31 January 2014</b>					
<b>Total Revenue</b>	\$ 276,356	40,982	35,818	1,556	354,712
<b>Material non-cash items</b>					
Depreciation	\$ 4,830	23	-	-	4,853
<b>Income before taxation</b>	<b>122,210</b>	<b>37,545</b>	<b>29,418</b>	<b>1,548</b>	<b>190,721</b>
<b>Assets</b>	<b>\$ 10,801,513</b>	<b>256,496</b>	<b>1,345,574</b>	<b>7,400,137</b>	<b>19,803,720</b>
<b>Liabilities</b>	<b>\$ 14,659,180</b>	<b>21,043</b>	<b>813,139</b>	<b>980,525</b>	<b>16,473,887</b>
<b>AUDITED Year ended 31 October 2014</b>					
<b>Total Revenue</b>	\$ 1,169,686	18,273	437,952	(243,256)	1,382,655
<b>Material non-cash items</b>					
Depreciation	\$ 12,459	51	-	5,307	17,817
<b>Income (loss) before taxation</b>	<b>765,926</b>	<b>11,514</b>	<b>124,723</b>	<b>(186,654)</b>	<b>715,509</b>
<b>Assets</b>	<b>\$ 11,067,330</b>	<b>256,903</b>	<b>1,583,431</b>	<b>7,771,528</b>	<b>20,679,192</b>
<b>Liabilities</b>	<b>\$ 15,223,425</b>	<b>20,089</b>	<b>969,865</b>	<b>940,159</b>	<b>17,153,538</b>

## Consolidated Statement of Changes in Equity For The Period Ended 31 January 2015 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>Three months ended 31 January 2015</b>					
<b>Balance as at 31 October 2014</b>	<b>\$ 267,563</b>	<b>582,563</b>	<b>29,648</b>	<b>2,645,880</b>	<b>3,525,654</b>
Net income for the year	-	-	-	134,646	134,646
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(3,395)	-	(3,395)
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(3,395)</b>	<b>134,646</b>	<b>131,251</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	25,000	-	(25,000)	-
Dividends paid	-	-	-	(123,441)	(123,441)
	-	25,000	-	(148,441)	(123,441)
<b>Balance as at 31 January 2015</b>	<b>\$ 267,563</b>	<b>607,563</b>	<b>26,253</b>	<b>2,632,085</b>	<b>3,533,464</b>
<b>Three months ended 31 January 2014</b>					
<b>Restated balance as at 31 October 2013</b>	<b>\$ 267,563</b>	<b>502,563</b>	<b>41,444</b>	<b>2,501,423</b>	<b>3,312,993</b>
Net income for the year	-	-	-	144,261	144,261
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(3,980)	-	(3,980)
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(3,980)</b>	<b>144,261</b>	<b>140,281</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	30,000	-	(30,000)	-
Dividends paid	-	-	-	(123,441)	(123,441)
	-	30,000	-	(153,441)	(123,441)
<b>Balance as at 31 January 2014</b>	<b>\$ 267,563</b>	<b>532,563</b>	<b>37,464</b>	<b>2,492,243</b>	<b>3,329,833</b>
<b>Year ended 31 October 2014</b>					
<b>Restated balance as at 31 October 2013</b>	<b>\$ 267,563</b>	<b>502,563</b>	<b>41,444</b>	<b>2,501,423</b>	<b>3,312,993</b>
Net income for the year	-	-	-	559,942	559,942
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(11,796)	-	(11,796)
- Remeasurement of defined benefit asset / liability	-	-	-	(432)	(432)
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(11,796)</b>	<b>559,510</b>	<b>547,714</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	80,000	-	(80,000)	-
Dividends paid	-	-	-	(335,053)	(335,053)
	-	80,000	-	(415,053)	(335,053)
<b>Balance as at 31 October 2014</b>	<b>\$ 267,563</b>	<b>582,563</b>	<b>29,648</b>	<b>2,645,880</b>	<b>3,525,654</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 2014.

### Comparative Information

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