

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JULY 2015



## To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd. ("the Group") realised income after taxation of \$157 million for the quarter ended 31 July 2015, an increase of \$17 million or 12% over the comparative period in 2014. Year to date, income after taxation increased by \$27 million or 7% to close at \$417 million.

The increase in net income is attributable to continued growth in core business activity across all our major business lines. Strong loan growth of \$1.5 billion or 13% over 2014, coupled with better liability management strategies, has enabled us to experience 11% growth in net interest income in the third quarter versus the comparative period last year and 7% growth in year to date results. Our growth in net interest income was complemented by an increase of \$37 million or 11% in non-interest income year over year.

Total assets ended the period at \$21.8 billion, representing growth of \$1.6 billion or 8% over the prior year, driven by strong growth in our retail and corporate/commercial banking loan portfolios. Our deposit portfolio has also seen significant growth of \$1.8 billion or 12% over 2014 as our customers continue to invest with confidence in the Group.

The Group continues to improve operational efficiency in an inflationary environment with our productivity ratio now standing at 44.5% at 31 July 2015, down from the 46.7% recorded in the prior year. Loan loss expense has increased by \$11 million in 2015 versus the comparative period last year. Notwithstanding this increase, our ratio of non accrual loans to total loans has decreased from 2.12% in 2014 to 1.88% in 2015.

Based on these results, the Directors are pleased to announce a quarterly dividend of 40 cents per share (2014: 40 cents), payable on 9 October 2015 to shareholders on record as of 11 September 2015.

1 September 2015

Brendan King  
Chairperson

Anya M. Schnoor  
Managing Director

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

	UNAUDITED As at 31 July 2015	UNAUDITED As at 31 July 2014	AUDITED As at 31 October 2014
<b>ASSETS</b>			
Cash on hand and in transit	\$ 141,437	\$ 145,518	\$ 127,825
Due from banks and related companies	680,293	1,495,555	1,610,631
Treasury bills	1,793,923	2,098,754	1,883,136
Deposits with Central Bank	3,592,759	3,266,821	3,333,686
Net loans to customers	13,004,474	11,467,296	11,818,555
Investment securities	2,289,719	1,431,067	1,574,994
Investment in associate companies	22,966	20,397	24,118
Property, plant and equipment	247,441	244,422	244,728
Miscellaneous assets	53,799	72,225	58,568
Goodwill	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>\$ 21,829,762</b>	<b>\$ 20,245,006</b>	<b>\$ 20,679,192</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	\$ 16,730,144	\$ 14,887,788	\$ 15,211,730
Due to banks and related companies	17,749	138,142	39,954
Other liabilities	327,570	245,943	319,753
Provision for taxation	31,872	14,790	17,378
Policyholders' funds	1,040,343	870,995	908,971
Debt security in issue	-	618,000	618,000
Deferred tax liability	23,024	40,825	37,752
<b>TOTAL LIABILITIES</b>	<b>\$ 18,170,702</b>	<b>\$ 16,816,483</b>	<b>\$ 17,153,538</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	637,563	532,563	582,563
Investment revaluation reserve	10,808	30,787	29,648
Retained earnings	2,743,126	2,597,610	2,645,880
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,659,060</b>	<b>3,428,523</b>	<b>3,525,654</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 21,829,762</b>	<b>\$ 20,245,006</b>	<b>\$ 20,679,192</b>

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

	UNAUDITED Three months ended 31 July 2015	UNAUDITED Three months ended 31 July 2014	UNAUDITED Nine months ended 31 July 2015	UNAUDITED Nine months ended 31 July 2014	AUDITED Year ended 31 October 2014
<b>NET INTEREST AND OTHER INCOME</b>					
Net Interest Income	\$ 250,630	\$ 225,719	\$ 710,709	\$ 664,499	\$ 888,872
Other Income	127,128	119,960	369,279	332,385	493,783
<b>TOTAL REVENUE</b>	<b>377,758</b>	<b>345,679</b>	<b>1,079,988</b>	<b>996,884</b>	<b>1,382,655</b>
<b>NON-INTEREST EXPENSES</b>					
	152,235	155,541	480,726	466,282	638,789
<b>INCOME BEFORE TAXATION AND LOAN LOSS</b>					
	225,523	190,138	599,262	530,602	743,866
Loan loss expense	4,527	8,250	29,759	19,237	28,357
<b>INCOME BEFORE TAXATION</b>					
	220,996	181,888	569,503	511,365	715,509
Provision for taxation	63,785	41,519	152,740	121,247	155,567
<b>INCOME AFTER TAXATION</b>					
	\$ 157,211	\$ 140,369	\$ 416,763	\$ 390,118	\$ 559,942
Dividends per share	40.0c	40.0c	120.0c	120.0c	190.0c
Earnings per share	89.2c	79.6c	236.3c	221.2c	317.5c

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

	UNAUDITED Three months ended 31 July 2015	UNAUDITED Three months ended 31 July 2014	UNAUDITED Nine months ended 31 July 2015	UNAUDITED Nine months ended 31 July 2014	AUDITED Year ended 31 October 2014
<b>NET INCOME FOR THE YEAR</b>	<b>\$ 157,211</b>	<b>\$ 140,369</b>	<b>\$ 416,763</b>	<b>\$ 390,118</b>	<b>\$ 559,942</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Remeasurement of defined benefit liability (asset), net of tax	-	(2,731)	-	587	(432)
Revaluation of available-for-sale investments, net of tax	(6,414)	(6,642)	(18,840)	(10,657)	(11,796)
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>\$ 150,797</b>	<b>\$ 130,996</b>	<b>\$ 397,923</b>	<b>\$ 380,048</b>	<b>\$ 547,714</b>

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JULY 2015



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

	UNAUDITED Nine months ended 31 July 2015	UNAUDITED Nine months ended 31 July 2014	AUDITED Year ended 31 October 2014
<b>Cash flows from operating activities</b>			
Net income before taxes	\$ 569,503	\$ 511,365	\$ 715,509
Change in loans	(1,184,591)	(891,686)	(1,249,187)
Change in deposits	1,518,965	496,341	821,674
Taxation paid	(124,905)	(119,399)	(159,539)
Other adjustments to reconcile income before taxation to net cash from operating activities	(142,341)	34,862	1,688
<b>Net cash from operating activities</b>	<b>\$ 636,631</b>	<b>\$ 31,483</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	\$ (268,021)	\$ (301,163)	\$ 238,221
Change in investments	(748,705)	(250,932)	(397,977)
Purchase of property, plant and equipment	(12,389)	(13,860)	(18,728)
Proceeds from disposal of property, plant & equipment	-	300	367
<b>Net cash used in investing activities</b>	<b>\$ (1,029,115)</b>	<b>\$ (565,655)</b>	<b>\$ (178,117)</b>
<b>Cash flows used in financing activities</b>			
Dividends paid	(264,517)	(264,518)	(335,053)
Decrease in debt security in issue	(618,000)	-	-
<b>Net cash used in financing activities</b>	<b>\$ (882,517)</b>	<b>\$ (264,518)</b>	<b>\$ (335,053)</b>
Decrease in cash and cash equivalents	\$ (1,275,001)	\$ (798,690)	\$ (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>\$ 821,730</b>	<b>\$ 1,681,066</b>	<b>\$ 2,096,731</b>
<b>Cash and cash equivalents</b>			
Cash on hand and in transit	\$ 141,437	\$ 145,518	\$ 127,825
Due from banks and related companies	680,293	1,495,555	1,610,631
Treasury bills with original maturity date not exceeding 3 months	-	39,993	358,275
<b>Cash and cash equivalents</b>	<b>\$ 821,730</b>	<b>\$ 1,681,066</b>	<b>\$ 2,096,731</b>

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

	Retail Corporate & Commercial Banking	Trust & Merchant Banking	Insurance Services	Other	Total
<b>UNAUDITED Nine months ended 31 July 2015</b>					
<b>Total Revenue</b>	\$ 940,080	9,936	127,505	2,466	1,079,988
<b>Material non-cash items</b>					
Depreciation	\$ 12,996	52	-	-	13,048
<b>Income before taxation</b>	455,802	4,675	106,588	2,437	569,503
<b>Assets</b>	\$ 13,004,474	35,764	1,808,247	6,981,277	21,829,762
<b>Liabilities</b>	\$ 16,730,144	2,034	1,117,247	321,277	18,170,702
<b>UNAUDITED Nine months ended 31 July 2014</b>					
<b>Total Revenue</b>	\$ 866,225	45,653	106,923	(21,917)	996,884
<b>Material non-cash items</b>					
Depreciation	\$ 13,234	69	-	-	13,303
<b>Income before taxation</b>	374,336	36,703	87,494	12,832	511,365
<b>Assets</b>	\$ 11,467,296	236,123	1,507,362	7,034,225	20,245,006
<b>Liabilities</b>	\$ 14,887,788	3,705	875,861	1,049,129	16,816,483
<b>RESTATED Year ended 31 October 2014</b>					
<b>Total Revenue</b>	\$ 1,169,686	18,273	151,018	43,678	1,382,655
<b>Material non-cash items</b>					
Depreciation	\$ 12,459	51	-	5,307	17,817
<b>Income (loss) before taxation</b>	765,926	11,514	124,723	(186,654)	715,509
<b>Assets</b>	\$ 11,067,330	256,903	1,583,431	7,771,528	20,679,192
<b>Liabilities</b>	\$ 15,223,425	20,089	969,865	940,159	17,153,538

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

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>Balance as at 31 October 2014</b>	\$ 267,563	582,563	29,648	2,645,880	3,525,654
Net income for the year	-	-	-	416,763	416,763
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(18,840)	-	(18,840)
<b>Total comprehensive income</b>	\$ -	-	(18,840)	416,763	397,923
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	55,000	-	(55,000)	-
Dividends paid	-	-	-	(264,517)	(264,517)
<b>Balance as at 31 July 2015</b>	<b>\$ 267,563</b>	<b>637,563</b>	<b>10,808</b>	<b>2,743,126</b>	<b>3,659,060</b>

## Nine months ended 31 July 2014

<b>Restated balance as at 31 October 2013</b>	\$ 267,563	502,563	41,444	2,501,423	3,312,993
Net income for the year	-	-	-	390,118	390,118
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(10,657)	-	(10,657)
- Remeasurement of defined benefit asset / liability	-	-	-	587	587
<b>Total comprehensive income</b>	\$ -	-	(10,657)	390,705	380,048

## Transactions with owners, recorded directly into equity

Transfer to statutory reserve	-	30,000	-	(30,000)	-
Dividends paid	-	-	-	(264,518)	(264,518)
<b>Balance as at 31 July 2014</b>	<b>\$ 267,563</b>	<b>532,563</b>	<b>30,787</b>	<b>2,597,610</b>	<b>3,428,523</b>

## Year ended 31 October 2014

<b>Restated balance as at 31 October 2013</b>	\$ 267,563	502,563	41,444	2,501,423	3,312,993
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>	\$ -	-	(11,796)	559,510	547,714

## Transactions with owners, recorded directly into equity

Transfer to statutory reserve	-	80,000	-	(80,000)	-
Dividends paid	-	-	-	(335,053)	(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.