

To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of \$644 million for the year ended 31 October 2018, a decrease of \$13 million or 2% over the same period last year. This is mainly due to the higher tax rate in effect for 2018 as income before tax grew by \$29 million or 3% year over year. The higher tax rate resulted in an incremental \$48 million in tax expense for this year. For the quarter, income after taxation was \$154 million, representing an increase of \$3 million or 2% compared to the same period in 2017.

Net interest income increased by \$44 million or 4% over the prior year, primarily driven by growth in the retail loans portfolio and higher investment income. Other income increased by \$63 million or 13% over the prior year driven by higher fees and commission income as well as insurance revenues. Loans to customers increased by \$600MM or 4% year over year.

Loan loss expense has increased by \$27 million year over year as the Group continues to exercise a prudent risk management approach in managing its loan loss provisioning. Despite this increase, the credit quality of our loan portfolio continues to be strong as the ratio of non-accrual loans to total loans stood at 2.30% at the end of the year.

Based on these results, the Directors are pleased to announce a final dividend of 150 cents per share payable on 14 January 2019 to shareholders on record as at 14 December 2018. In total the Group has declared dividends of 300 cents for the 2018 financial year (2017 – 300 cents).

On behalf of your Board of Directors, I would like to thank our customers and staff for another successful year despite the challenges faced within the country, and we look forward to your continued support as we move forward into 2019.

4 December, 2018



Brendan King
Chairman



Stephen Bagnarol
Managing Director

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

	UNAUDITED As at 31 October 2018	AUDITED As at 31 October 2017
ASSETS		
Cash on hand and in transit	\$ 149,333	\$ 225,376
Loans and advances to banks and related companies	780,993	1,344,017
Treasury bills	3,554,534	3,925,171
Deposits with Central Bank	2,560,438	2,826,390
Loans to customers	14,555,529	13,955,789
Investment securities	1,359,547	1,726,478
Investment in associated companies	32,654	30,447
Deferred tax assets	48,126	43,940
Property, plant and equipment	256,817	246,780
Miscellaneous assets	136,496	57,335
Defined benefit pension fund asset	-	8,646
Goodwill	2,951	2,951
TOTAL ASSETS	\$ 23,437,418	\$ 24,393,320
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from customers	17,284,198	18,538,048
Deposits from banks and related companies	42,843	38,088
Other liabilities	386,949	314,678
Taxation payable	51,505	48,088
Policyholders' funds	1,412,729	1,332,623
Post-employment medical and life benefits obligation	129,673	126,633
Defined benefit pension fund liability	1,893	-
Deferred tax liabilities	49,726	40,769
TOTAL LIABILITIES	\$ 19,359,516	\$ 20,438,927
SHAREHOLDERS' EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	688,562	688,201
Investment revaluation reserve	15,768	7,519
Retained earnings	3,106,009	2,991,110
TOTAL SHAREHOLDERS' EQUITY	4,077,902	3,954,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 23,437,418	\$ 24,393,320

CONSOLIDATED STATEMENT OF INCOME (STATED IN \$'000)

	UNAUDITED Three months ended 31 October 2018	UNAUDITED Three months ended 31 October 2017	UNAUDITED Year ended 31 October 2018	AUDITED Year ended 31 October 2017
NET INTEREST AND OTHER INCOME				
Net Interest Income	\$ 324,735	\$ 314,787	\$ 1,288,538	\$ 1,244,236
Other Income	123,226	99,563	544,456	481,210
Total Revenue	447,961	414,350	1,832,994	1,725,446
NON-INTEREST EXPENSES	194,845	173,757	736,963	685,669
INCOME BEFORE TAXATION AND LOAN LOSS	253,116	240,593	1,096,031	1,039,777
Net impairment loss on financial assets	34,914	25,667	133,033	105,597
INCOME BEFORE TAXATION	218,202	214,926	962,998	934,180
Provision for taxation	64,292	63,791	318,554	276,516
INCOME AFTER TAXATION	\$ 153,910	\$ 151,135	\$ 644,444	\$ 657,664
Dividends per share	150.0c	150.0c	300.0c	300.0c
Earnings per share	87.3c	85.7c	365.4c	372.9c

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

	UNAUDITED Three months ended 31 October 2018	UNAUDITED Three months ended 31 October 2017	UNAUDITED Year ended 31 October 2018	AUDITED Year ended 31 October 2017
NET INCOME FOR THE YEAR	\$ 153,910	\$ 151,135	\$ 644,444	\$ 657,664
OTHER COMPREHENSIVE INCOME				
Remeasurement of post-employment benefits asset/obligation, net of tax	(1,537)	507	(153)	763
Revaluation of available-for-sale investments, net of tax	(1,187)	3,462	8,249	4,363
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 151,185	\$ 155,104	\$ 652,540	\$ 662,790

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2018



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

	UNAUDITED Year ended 31 October 2018	AUDITED Year ended 31 October 2017
Cash flows from operating activities		
Net income after taxes	\$ 644,444	\$ 657,664
Change in loans to customers	(613,704)	(684,976)
Change in deposits from customers	(1,254,112)	967,231
Taxation paid	(311,965)	(326,277)
Other adjustments to reconcile income after taxation to net cash from operating activities	682,885	832,235
Net cash (used in) from operating activities	\$ (852,452)	\$ 1,445,877
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	\$ 370,637	\$ (859,796)
Change in investments	399,652	552,798
Purchase of property, plant and equipment	(28,340)	(14,428)
Proceeds from disposal of property, plant & equipment	467	240
Net cash (used in) investing activities	\$ 742,416	\$ (321,186)
Cash flows used in financing activities	(529,031)	(581,934)
Dividends paid	\$ (529,031)	\$ (581,934)
Net cash used in financing activities	\$ (529,031)	\$ (581,934)
Increase (decrease) in cash and cash equivalents	\$ (639,067)	\$ 542,757
Cash and cash equivalents, beginning of period	\$ 1,569,393	\$ 1,026,636
Cash and cash equivalents, end of period	\$ 930,326	\$ 1,569,393
Cash and cash equivalents	\$ 149,333	\$ 225,376
Cash on hand and in transit		
Loans and advances to banks and related companies	780,993	1,344,017
Cash and cash equivalents	\$ 930,326	\$ 1,569,393

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (STATED IN \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED					
Year ended 31 October 2018					
Balance as at 31 October 2017	\$ 267,563	688,201	7,519	2,991,110	3,954,393
Net income for the year	-	-	-	644,444	644,444
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	644,291	652,540
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	361	-	(361)	-
Dividends paid	-	-	-	(529,031)	(529,031)
	-	361	-	(529,392)	(529,031)
Balance as at 31 October 2018	\$ 267,563	688,562	15,768	3,106,009	4,077,902
AUDITED					
Year ended 31 October 2017					
Balance as at 31 October 2016	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	657,664	657,664
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	4,363	-	4,363
- Remeasurement of post-employment benefits asset/obligation	-	-	-	763	763
Total comprehensive income	\$ -	-	4,363	658,427	662,790
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	20,319	-	(20,319)	-
Dividends paid	-	-	-	(581,934)	(581,934)
	-	20,319	-	(602,253)	(581,934)
Balance as at 31 October 2017	\$ 267,563	688,201	7,519	2,991,110	3,954,393

SEGMENT REPORTING (STATED IN \$'000)

	Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED					
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	\$ 819,587	4,168	136,075	3,168	962,998
Assets	\$ 14,555,529	41,250	2,219,882	6,620,756	23,437,418
Liabilities	\$ 17,284,198	509	1,462,277	612,532	19,359,516
AUDITED					
Year ended 31 October 2017					
Total Revenue	\$ 1,562,272	5,628	154,123	3,423	1,725,446
Material non-cash items					
Depreciation	18,069	-	-	-	18,069
Income before taxation	\$ 802,311	3,349	125,241	3,279	934,180
Assets	\$ 13,955,789	36,703	2,000,801	8,400,027	24,393,320
Liabilities	\$ 18,538,048	670	1,362,501	537,708	20,438,927

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 2017.

Comparative information

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