Scotiabank®

Media Release

For the Quarter ended 30 April, 2021

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Scotiabank Reports Second Quarter Results - with improvements in income and profit

SECOND QUARTER HIGHLIGHTS

	SIX MONTHS ENDED30 APRIL 2021	SIX MONTHS ENDED 30 APRIL 2020
Income after Taxation	$305 million	$262 million
Dividends per share	120.0c	100.0c
Earnings per share	172.7c	148.6c
Return on Equity	14.54%	12.76%
Return on Assets	2.23%	2.02%

Scotiabank Trinidad and Tobago Limited (The Group) has realized income after tax of $159 million, an increase of $39 million or 33% over the second quarter ended 30 April 2020. For the half-year period ended 30 April 2021, the Group realized after tax profit of $305 million, an increase of $42 million or 16% over the comparative half-year period.

The increase in profitability was driven by effective cost management strategies combined with lower impairment losses.

"While we continue to feel the socio-economic impact of the COVID-19 crisis, we remain confident in the Bank's strength and stability."

The economic and social environment in which we operate remains challenging and continues to impact both business and households in the country. In response to these challenges, we continue to drive our strategic agenda to reshape the way we do business to better serve our customers safely and securely.

For the six months ended 30 April 2021, total revenues of $869 million declined by $46 million or 5% with net interest income reducing by $43 million or 6%, as a result of a decline in our loan portfolio during that period. Other income, however, has consistently increased over the last three quarters (August 2020 to April 2021) since hitting post-COVID lows in July 2020 and has only declined by $3 million or 1% over the comparative six-month prior period. In response to the declines in revenue, the Group has focussed on controlling its operating expense base, resulting in non-interest expenses reducing by $29 million or 7% for the six-month period ended 30 April 2021.

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Our prudent risk management strategies and pro-active measures taken in 2020 to mitigate credit losses have resulted in a significant reduction in our impairment loss expense. For the six months ended 30 April 2021, net impairment losses on financial assets have declined by $81 million or 71% whilst our ratio of non-accrual loans to total loans currently stands at 2.06%.

Total assets stood at $27.6 billion, representing growth of $779 million or 3% compared to the prior year's period. The challenging environment has resulted in loans declining by approximately $760 million or 5%, with our retail loan portfolio being most impacted by the economic uncertainty and reduced levels of spending. The Group continues to see customers confidently invest with us as deposits from customers increased by $360 million or 2% over the prior year. Our Insurance segment also continues to show growth in increased policy sales, resulting in a $90 million or 6% increase in policyholder liabilities over the prior year.

Commenting on the results, newly appointed Managing Director of Scotiabank Trinidad and Tobago Limited, Gayle Pazos, remarked:

"Our results to the end of April 2021 have continued a trend of improvement noted in the first quarter. Notwithstanding the setbacks experienced in Trinidad and Tobago over the last few months, our team and customers have risen to the challenge and really demonstrated their resilience. Our efforts to support customers, employees, and the broader community throughout the pandemic have resulted in us being named the Best Bank 2021 in Trinidad and Tobago by Global Finance.

At the core of helping our customers is our most valuable asset, our employees. Throughout the pandemic we have continued to empower and invest in our employees as we firmly believe that their success is our success. It is this commitment to our employees that helped Scotiabank Trinidad and Tobago earn the recognition of one of the Best Workplaces™ in the Caribbean and Central America for 2021 by Great Place to Work®.

We understand the role we play in helping our communities during this time. Over 1,000 students have been assisted with access to online learning so that they can continue with their studies. We also committed to continuing to provide meals on a daily basis in supporting our frontline medical personnel who are courageously helping the country battle this pandemic. Most recently, we have collaborated with UNICEF on its COVID-19 vaccination rollout and preparedness programmes.

While the economic impact of the COVID-19 crisis is still being felt, we have supported and continue to support you during this time. For those customers who may be experiencing a loss or reduction in income as a result of the COVID-19 pandemic, please reach out to us so we can provide you with various relief options depending on your personal financial situation.

I encourage you to #StayHome and #StaySafe and do your day to day banking through our safe and secure digital channels. I am extremely proud to come back home to lead the Scotiabank Trinidad and Tobago team and I thank our staff for all that they continue to achieve during these challenging times."