

Media Release

For the year ended 31 October 2021

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Scotiabank Reports Improved Profitability During 2021

FOURTH QUARTER HIGHLIGHTS

	YEAR ENDED 31 OCTOBER 2021	YEAR ENDED 31 OCTOBER 2020
Income after Taxation	\$604 million	\$521 million
Dividends per share	350.0c	225.0c
Earnings per share	342.2c	295.3c

Scotiabank Trinidad and Tobago Limited ("The Group") realized income after tax of \$604 million for the year ended 31 October 2021, an increase of \$83 million or 16% over the prior year ended 31 October 2020. For the quarter ended 31 October 2021, The Group realized income after tax of \$142 million, a decrease of \$13 million or 8%, compared to the previous quarter in 2020.

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

"2021 was a year of unique challenges faced by the country and our Group. The economic environment remains subdued as consumer demand and investment are below pre-pandemic levels and we continue to experience relatively high levels of COVID-19 cases. Notwithstanding these headwinds, The Group has recorded improved financial performance, driven by lower net impairment losses on loans and reduced operating expenditure. The Group's total Revenue declined by \$48 million or 3%, driven by the reduction in loan balances. In response to lower revenues, The Group reduced its non-interest expense base by \$55 million or 7%, translating into an improved operating efficiency ratio of 40.6%. The Group continues to

exercise prudent risk management, and the credit quality of our loan portfolio has remained relatively stable with a ratio of non-accrual loans to total loans of 2.3%. Net impairment losses on loans reduced by \$121 million or 53% from prior year.

In keeping with our strategic agenda, we remain focused on delivering the best customer experience. Our customers are increasingly demanding safe and efficient ways to do their banking and we have put our digital offerings at the forefront of our drive to fulfil customers' expectations. We have seen over 3.4 million online and mobile transactions, and through continued feedback from ongoing customer surveys, we continue to enhance both our digital and non-digital offerings. In October, we launched Scotia SelectPay™, becoming the first within the local industry to give our customers the flexibility to convert credit card purchases into monthly instalments. I encourage our customers to visit tt.scotiabank.com to learn more about our acclaimed Scotia Caribbean App and other products and services that we offer.

During these challenging times, we continue to support our customers. We are pleased to have provided

“ In keeping with our strategic agenda, we remain focused on delivering the best customer experience. ”

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financial assistance to over 95,000 customers to date and remain committed to helping them navigate the changes brought about by the pandemic.

The success achieved this year would have not been possible without the unwavering dedication of our Scotiabank employees. Our Senior Management and staff have risen to the challenge of assisting our customers, and the passion and commitment displayed by our team has been inspiring.

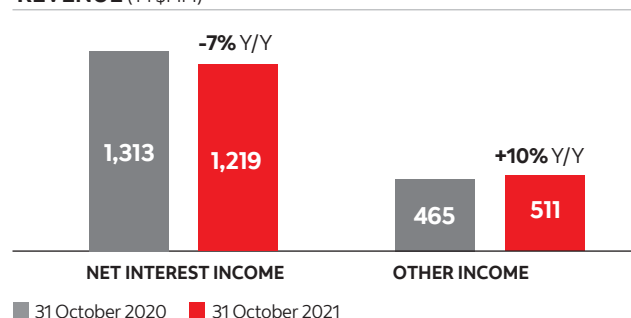
Finally, I would like to thank our loyal customer base and shareholders for the support shown throughout 2021. We are being continuously driven to improve to meet your changing needs and look forward to your continued advocacy in the future."

GROUP FINANCIAL PERFORMANCE

Revenue

Total Revenue, comprising of Net Interest Income and Other Income, was \$1.7 billion for the period ended 31 October 2021, a decrease of \$48 million or 3% over last year. Net Interest Income for the period was \$1.2 billion, \$94 million or 7% lower when compared to 2020, driven mainly by decline in our loan portfolio and interest rate compression. Other Income for the same period was \$511 million, \$46 million or 10% more than the prior year as a result of increases in core banking revenues including credit card income, partially offset by lower insurance revenues.

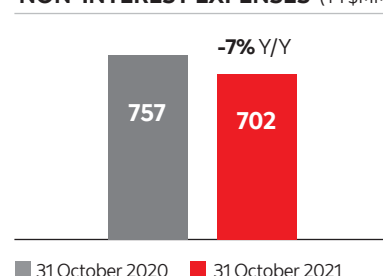
REVENUE (TT\$MM)



Non-interest expenses and operating efficiency

Total Non-Interest Expenses (NIE) for the period ended 31 October 2021 was \$702 million, \$55 million or 7% lower than the same period in 2020. Managing

NON-INTEREST EXPENSES (TT\$MM)

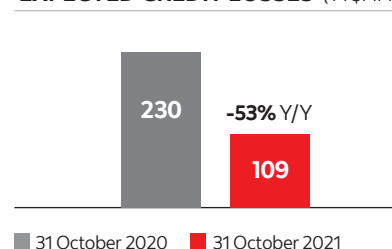


the efficiency of our operations remains a strategic priority of The Group, especially in the context of the current and forecasted economic environment for 2022 and beyond. This continued focus has resulted in an operating efficiency ratio of 41% as at October 2021, improving from 43% last year.

Credit Quality

Net impairment losses on financial assets for the period ended 31 October 2021 was \$109 million, a decrease of \$121 million over the prior year.

EXPECTED CREDIT LOSSES (TT\$MM)



Our prudent risk management strategies and pro-active measures taken in 2020 to mitigate credit losses have resulted in a significant reduction in our expected credit losses in 2021. Our credit quality continues to be high as demonstrated by the ratio of non-performing loans as a percentage of gross loans at 2.3%.

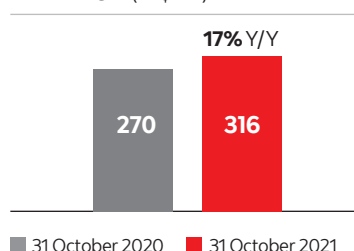
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Taxation

Taxation Expense for the period ending 31 October 2021 was \$316 million, an increase of \$46 million over the prior year and in line with the 2020 effective tax rate of approximately 34%.

TAXATION (TT\$MM)

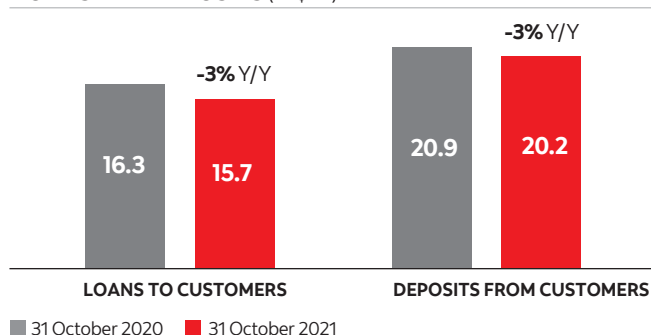


Balance sheet

Total Assets were \$27.2 billion as at 31 October 2021, decreasing slightly by \$333 million or 1% when compared to the prior year. Loans to Customers, the Bank's largest interest earning asset, closed the year at \$15.7 billion, reflecting a reduction of \$545 million or 3% compared to 2020. This is directly attributable to the current economic climate and subdued consumer demand. Investment securities and Treasury Bills stood at \$6.7 billion as at 31 October 2021. To mitigate the shortfall in lending, The Group has deployed surplus liquidity into Treasury Bills and investment securities, which have collectively increased by over \$1.1 billion over the prior year.

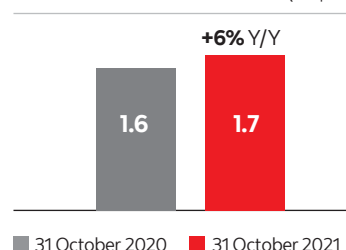
As at 31 October 2021, Total Liabilities declined by \$405 million to \$22.9 billion or 2% below last year.

LOANS AND DEPOSITS (TT\$BN)



This was driven by a decline in customer deposits of \$627 million or 3%, from \$20.9 billion to \$20.2 billion.

POLICYHOLDERS' FUND (TT\$BN)

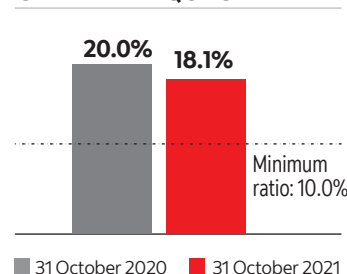


Our insurance segment also continues to perform creditably with Policyholders' liabilities showing growth of \$93 million or 6% over the prior year, underpinning our continued growth in the industry.

Shareholders' equity

Total Shareholders' Equity closed the period at \$4.2 billion, an increase of \$72 million or 2% when compared to the balance as at 31 October 2020.

CAPITAL ADEQUACY



The Bank's capital adequacy ratio stood at 18.1% as at 31 October 2021, which continues to be significantly above the minimum capital adequacy ratio of 10.0% as specified by local regulators.

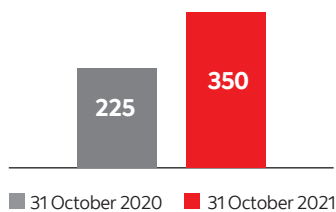
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DIVIDENDS

Total Dividends paid for the year of 350c, which included a special dividend of 85c, was higher than the 225c paid in the prior year. Our dividend payout ratio increased from 76% in 2020 to 102% in 2021.

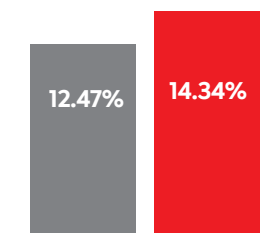
DIVIDENDS PAID (TT¢)



Return on equity and return on assets

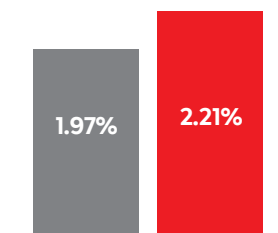
Improvement in profitability has led to increased return on equity and return on assets. Return on Equity increased from 12.5% to 14.3%, whilst Return on Assets increased from 2% to 2.2%, reflecting the effectiveness of our cost management strategies and our prudent credit loss policy.

RETURN ON EQUITY



■ 31 October 2020
■ 31 October 2021

RETURN ON ASSETS



■ 31 October 2020
■ 31 October 2021

SCOTIABANK IN THE COMMUNITY

Through the Scotiabank Foundation, we have supported environmental and food sustainability initiatives focused on households in Southern Trinidad. Through collaborations with SURE Foundation and Key of David International, a

community seedling distribution initiative and a youth-focused hydroponics programme were embarked upon. As a result, 12,000 households and numerous children's homes have created kitchen gardens, grow boxes, and a hydroponics system.



Youngsters get involved in setting up grow boxes at Mother's Union Children's Home.

These environmental investments in food sustainability help reduce carbon emissions and improve food security while encouraging healthy habits and community resilience.



Scotiabank volunteers package face masks for distribution to schools in UWTT's Support for Primary Schools for the New Norm Project.

We are proud to contribute to United Way Trinidad & Tobago's (UWTT) Support for the New Norm Project, which aims to help selected primary schools in high

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need communities to re-open safely and efficiently. Five thousand students and 241 teachers across 15 schools will benefit from the initiative.

The Project is focused on enhancing sanitization and hygiene, through improving and expanding washroom facilities, infrastructure for handwashing stations, provision of face masks and child and parent friendly communication materials to the schools. This is in addition to supporting the ventilation and internet connectivity needs to improve school readiness for implementation of the blended schooling model.

For over two decades, our commitment to health and wellness and breast cancer awareness is seen in our annual 5K. Despite not being able to host an in-person event this year, we remain dedicated to the cause. Cancer is a disease that is as diverse and complex as our communities. We highlighted the importance of early detection, healthy lifestyles and support systems through sharing the experiences of breast cancer patients, their loved ones, local influencers and health professionals.

Help make an impact by donating to the Scotiabank Women Against Breast Cancer (SWABC) Fund. Account# 74815 00131247. In the last five years alone, we have donated \$1.25M towards breast cancer screening initiatives, and since our initial launch of the SWABC programme, we have helped over 20,000 women access free screening.



Sarita Rampersad and Melissa Gabriel, breast cancer patients, joined our Breast Cancer Awareness Campaign this year.

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2021

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To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited ("The Group") realized, income after tax of \$142 million for the quarter ended 31 October 2021, a decrease of \$13 million or 8% lower than the quarter ended 31 October 2020. For the year ended 31 October 2021, The Group realized an after-tax profit of \$604 million, an increase of \$83 million or 16% over the comparative prior year period, driven mainly by lower net impairment losses on loans.

Notwithstanding the continued economic challenges being faced, we continue to see signs of some stabilization in our financial performance. For the year ended 31 October 2021, The Group's total revenue declined by \$48 million or 3%, impacted by a \$94 million or 7% decline in net interest income largely due to lower loan balances impacting both retail and commercial customer segments. The decline in net interest income was partially mitigated by a \$46 million or 10% increase in other income as we see continued recovery in some of our key core banking activity lines. In the face of lower revenues, The Group has continued to focus on operating cost management, and this has resulted in non-interest expenses declining by \$55 million or 7% lower than the prior year. The reduction in non-interest expenses has resulted in our operating efficiency ratio improving to 40.6% in 2021, and is a return to our pre-pandemic level of operational efficiency. The Group continues to exercise prudent risk management and the credit quality of our loan portfolio has remained relatively stable with non-accrual loans to loans remaining within a range of 2.2% to 2.3%. Net impairment losses have reduced by \$121 million or 53% from the prior year.

Total Assets of \$27.2 billion decreased slightly over the last year by \$333 million or 1.2%. The Group's main interest earning asset, loans to customers, declined by \$544 million or 3% resulting from the lower economic activity and reduced borrowing appetite from customers across various segments. The Group continues to proactively manage the surplus liquidity with treasury bills and investment securities collectively increasing by \$1.1 billion over the prior year. Our insurance segment continues to perform creditably with Policyholders' liabilities growing by \$93 million or 6% over the prior year. Deposits from customers have declined by \$627 million or 3% as some customers have opted to deploy their surplus holdings into alternative channels, including paydowns of loans as noted above.

Based on these results, the Directors have approved a final dividend of 85 cents per share this quarter (4th quarter 2020 – 85 cents), for a total of 350 cents (2020 – 225 cents), inclusive of the 85 cents per share special dividend in Q3 2021. This dividend will be payable on 27 December 2021 to shareholders on record as at 20 December 2021.

Whilst acknowledging that COVID-19 will continue to unfavorably impact our economy heading into 2022, The Group remains cautiously optimistic on the future economic prospects for Trinidad and Tobago. We remain focused on achieving our strategic objectives and will be well poised to capitalise on future opportunities to assist our customers. On behalf of the Board of Directors, we would like to recognise the unwavering dedication of our Scotiabank employees. We have experienced undoubtedly one of the most challenging years, but our Senior Management and staff have risen to the challenge of assisting our customers whilst transforming our business for the longer-term changes that the banking industry will be experiencing. We continue to urge everyone to stay safe and thank you for your continued support of Scotiabank.

14 December 2021



Derek Hudson
Chairman



Gayle Pazos
Managing Director

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

	UNAUDITED As at 31 October 2021	AUDITED As at 31 October 2020
ASSETS		
Cash on hand and in transit	\$ 218,702	\$ 150,566
Loans and advances to banks and related companies	854,150	437,537
Treasury Bills	3,599,239	3,455,229
Deposits with Central Bank	3,046,104	4,357,607
Loans to customers	15,729,895	16,274,409
Investment securities	3,099,702	2,140,181
Investment in associated companies	39,668	38,243
Deferred tax assets	59,372	143,108
Property and equipment	359,519	398,499
Miscellaneous assets	27,357	87,639
Defined benefit pension fund asset	129,517	12,793
Goodwill	2,951	2,951
Taxation recoverable	4,916	4,916
TOTAL ASSETS	27,171,092	27,503,678
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers	20,241,852	20,868,861
Deposits from banks and related companies	142,737	45,767
Other liabilities	592,766	574,996
Taxation payable	71,795	77,207
Policyholders' funds	1,651,939	1,558,656
Post-employment medical and life benefits obligation	175,485	154,260
Deferred tax liabilities	50,700	52,306
TOTAL LIABILITIES	22,927,274	23,332,053
EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	815,100	804,514
Investment revaluation reserve	30,593	11,000
Retained earnings	3,130,562	3,088,548
TOTAL EQUITY	4,243,818	4,171,625
TOTAL LIABILITIES AND EQUITY	\$ 27,171,092	\$ 27,503,678

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

	UNAUDITED Three months ended 31 October 2021	UNAUDITED Three months ended 31 October 2020	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
REVENUE				
Net Interest Income	\$ 290,881	\$ 324,675	\$ 1,219,172	\$ 1,313,052
Other Income	136,475	108,673	511,040	465,070
Total Revenue	427,356	433,348	1,730,212	1,778,122
EXPENSES				
Non-Interest Expenses	166,129	175,431	701,987	757,343
Net impairment loss on financial assets	43,019	19,693	108,521	229,917
INCOME BEFORE TAXATION	218,208	238,224	919,704	790,862
Income tax expense	76,524	83,560	316,179	270,060
INCOME AFTER TAXATION	\$ 141,684	\$ 154,664	\$ 603,525	\$ 520,802
Dividends per share	85.0c	85.0c	350.0c	225.0c
Earnings per share	80.3c	87.7c	342.2c	295.3c

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

	UNAUDITED Three months ended 31 October 2021	UNAUDITED Three months ended 31 October 2020	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
NET INCOME FOR THE YEAR	\$ 141,684	154,664	\$ 603,525	520,802
OTHER COMPREHENSIVE INCOME				
Remeasurement of post-employment benefits asset/obligation, net of tax	40,747	27,953	66,278	(2,677)
Fair value remeasurement of debt instruments at FVOCI, net of tax	(7,081)	(12,969)	19,593	(17,211)
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 175,350	169,648	\$ 689,396	500,914

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

	UNAUDITED Year ended 31 October 2021	AUDITED Year ended 31 October 2020
Cash flows from operating activities		
Net income after taxes	\$ 603,525	\$ 520,802
Change in loans to customers	583,661	(183,199)
Change in deposits from customers	(629,009)	1,833,453
Taxation paid	(273,745)	(301,511)
Other adjustments to reconcile income after taxation to net cash from operating activities	777,574	585,478
Net cash from operating activities	1,062,006	\$ 2,455,023
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	\$ 1,284,488	\$ 103,955
Change in investments	(952,052)	(729,314)
Purchase of property and equipment	(9,348)	(28,737)
Proceeds from disposal of property and equipment	-	14,000
Net cash used in investing activities	\$ 323,088	\$ (640,096)
Cash flows used in financing activities		
Payment of lease liabilities	(18,224)	(21,259)
Dividends paid	(617,203)	(511,397)
Net cash used in financing activities	\$ (635,427)	\$ (532,656)
Increase (Decrease) in cash and cash equivalents	749,667	1,282,271
Cash and cash equivalents, beginning of period	2,574,683	1,292,412
Cash and cash equivalents, end of period	\$ 3,324,350	\$ 2,574,683
Cash and cash equivalents		
Cash on hand and in transit	218,702	150,566
Loans and advances to banks and related companies	854,150	437,537
Treasury Bills with original maturity date not exceeding 3 months	823,000	-
Surplus deposits with Central Bank	1,428,498	1,986,580
Cash and cash equivalents	\$ 3,324,350	\$ 2,574,683

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2021

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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 2021					
Balance as at 31 October 2020	267,563	804,514	11,000	3,088,548	4,171,625
Net income for the year	-	-	-	603,525	603,525
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	19,593		19,593
- Remeasurement of post-employment benefits asset/obligation	-	-		66,278	66,278
Total comprehensive income	\$ -	-	19,593	669,803	689,396
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	10,586	-	(10,586)	-
Dividends paid	-	-	-	(617,203)	(617,203)
	-	10,586	-	(627,789)	(617,203)
Balance as at 31 October 2021	\$ 267,563	815,100	30,593	3,130,562	4,243,818
AUDITED					
Year ended 31 October 2020					
Balance as at 31 October 2019	267,563	734,012	28,211	3,152,322	4,182,108
Net income for the year	-	-	-	520,802	520,802
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(17,211)		(17,211)
- Remeasurement of post-employment benefits asset/obligation	-	-		(2,677)	(2,677)
Total comprehensive income	\$ -	-	(17,211)	518,125	500,914
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	70,502	-	(70,502)	-
Dividends paid	-	-	-	(511,397)	(511,397)
	-	70,502	-	(581,899)	(511,397)
Balance as at 31 October 2020	\$ 267,563	804,514	11,000	3,088,548	4,171,625

Segment reporting (stated in \$'000)

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED					
Year ended 31 October 2021					
Total Revenue	\$ 1,568,315	10,197	151,700	-	1,730,212
Material non-cash items					
Depreciation	30,911	-	-	-	30,911
Income before taxation	\$ 786,003	7,612	126,089	-	919,704
Assets	\$ 15,729,895	42,780	2,423,349	8,975,068	27,171,092
Liabilities	\$ 20,241,852	574	1,703,040	981,808	22,927,274
AUDITED					
Year ended 31 October 2020					
Total Revenue	\$ 1,612,255	7,931	157,936	-	1,778,122
Material non-cash items					
Depreciation	30,439	-	-	-	30,439
Income before taxation	\$ 660,558	5,045	125,259	-	790,862
Assets	\$ 16,273,837	40,420	2,350,942	8,838,479	27,503,678
Liabilities	\$ 20,868,292	555	1,606,548	856,658	23,332,053

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 2020.