

Media Release

For the Year ended 31 October 2023

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Scotiabank Reports Fiscal 2023 results

FOURTH QUARTER HIGHLIGHTS

	YEAR ENDED 31 OCTOBER 2023	YEAR ENDED 31 OCTOBER 2022
Profit After Taxation	\$678 million	\$684 million
Dividends per share	280c	330c
Earnings per share	384.5c	387.7c
Return on Equity	15.4%	16.0%
Return on Assets	2.3%	2.5%

Scotiabank Trinidad and Tobago Limited (The Group) realized Profit After Taxation of \$678 million for the year ended 31 October 2023, a decrease of 1% under the prior year ended 31 October 2022. Income after tax for the quarter ended 31 October was \$176 million, \$18 million or 12% over the quarter ended 31 July 2023, marking a strong end to the year, driven by loan growth and improved insurance revenues.

Based on these results, we are pleased to announce a dividend of 70 cents per share for the fourth quarter, bringing the total dividend to 280 cents per share for the year. This represents an Earnings per Share of 384.5c for our shareholders, the second highest in our history following 2022 at 387.7c. Our Return on Equity and Return on Assets continue to lead the industry and remain at healthy levels.

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

"I am pleased to report that Scotiabank has once again delivered another year of solid financial results. This is the second successive year that we have posted Net

Income Before Tax of over \$1 billion, following a record breaking performance in 2022. Performance in 2023 was supported by \$1.3 billion or 7% loan growth across our core business lines. Our strong profitability year over year is a testament to the confidence that our customers have placed in us, as well as the hard work and dedication of our team.

“ In 2023, Digital adoption increased to 54% with 75% of total retail customers enrolled on Online Banking, and we were again recognised by Global Finance for our digital leadership... ”

We are wholly committed to our customers and have been working relentlessly to provide digital solutions and optionality – accessibility upgrades, security enhancements and other support features to keep pace with our customers’ changing needs, given the current environment where the digital experience is constantly evolving with artificial intelligence and machine learning. In 2023,

Digital adoption increased to 54% with 75% of total retail customers enrolled on Online Banking, and we were again recognised by Global Finance for our digital leadership, marking the third consecutive year as best Digital Consumer Bank in Trinidad and Tobago. Also, for the first time in our history, Global Finance awarded

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us Best Mobile Banking App. We are extremely proud of this recognition and pleased to provide our customers with best-in-class technology.

For the first time post-pandemic, we held our Scotia Women Against Breast Cancer (SWABC) 5K - our flagship charitable event. The community response was fantastic. The event was quickly oversubscribed and attracted over 5,000 female participants and male allies.

In closing, I would like to take this opportunity to thank all of our shareholders and customers for their loyalty, commitment, trust and confidence in us. Our continued success is a result of the great execution by our team of skilled and dedicated employees, and we thank them for their professionalism and commitment."

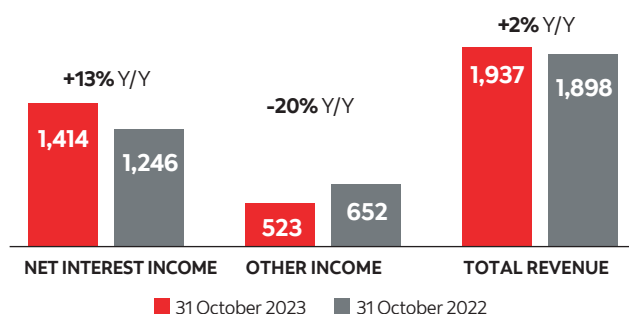
GROUP FINANCIAL PERFORMANCE

Revenue

Total Revenue, comprising Net Interest Income and Other Income, was \$1.9 billion for the period ended 31 October 2023, an increase of \$39 million or 2% over the prior year. Net Interest Income for the period was \$1.4 billion, an increase of \$168 million or 13%, the best return in our history, driven by our continued credit expansion and decisive management of our investment portfolio.

Other Income of \$523 million decreased by \$129 million compared to 2022, primarily due to lower trading revenues, aligned with prevailing market conditions. Other Income remains an important component of our profitability and we have seen

REVENUE (TT\$MM)

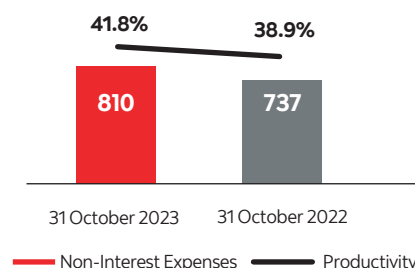


partial offsetting growth in key segments such as Wealth and Insurance as well as activity-based revenues such as Card Revenues.

Non-Interest Expenses and Operating Efficiency

Total Non-Interest Expenses for the period ended 31 October 2023 was \$810 million, higher by \$72 million or 10% when compared to the same period in 2022. These increases are partially due to increased technology costs aligned with our delivery of enhanced

NON-INTEREST EXPENSES AND PRODUCTIVITY

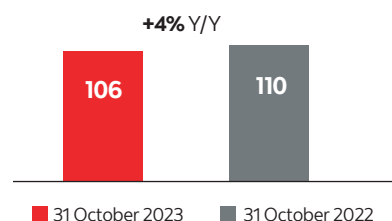


digital capability, and the challenges of rising price inflation and its impact on direct and activity-based costs. Managing operational efficiency remains a strategic priority, and our productivity ratio of 41.8% as at 31 October 2023 remains the lowest within the local banking sector.

Credit Quality

Net impairment losses on financial assets for the year ending 31 October 2023 were recorded at \$106 million, a decrease of \$4 million or 4%. Our Credit Quality ratio improved from 1.98% to 1.95% and Provision for Credit Loss ratio from 0.67% to 0.58%, both over the same

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS TT \$ 'MM



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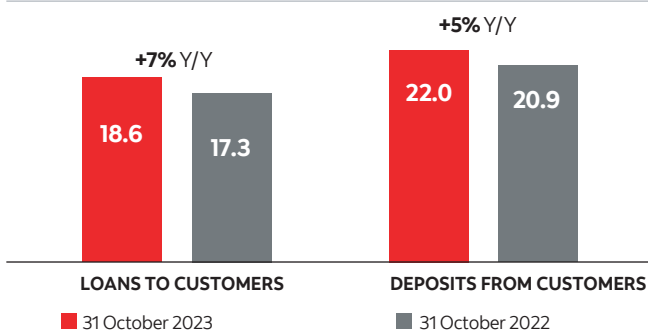
For the Year ended 31 October 2023

comparable period year on year, showing the improved performance of our retail loan portfolio.

Balance Sheet

Total Assets were \$29.7 billion as at 31 October 2023, an increase of \$1.6 billion or 6% compared to the prior year. Loans to Customers, the Bank's largest interest earning asset, was \$18.6 billion, an increase of \$1.3 billion or 7%. This is the second consecutive year of

LOANS AND DEPOSITS Y/Y COMPARISON (TT\$BN)

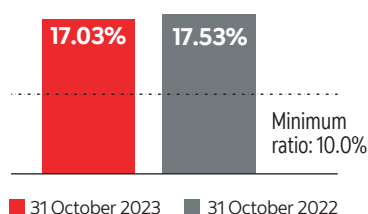


growth exceeding \$1 billion with contribution from all segments while simultaneously improving on the credit quality of the portfolio. This is reflective of the confidence of our customers and our focus on growing quality loans. Investment securities and Treasury Bills stood at \$6 billion as at 31 October 2023, a decrease of \$913 million when compared to 31 October 2022, as we pivoted to channel funds to higher earning assets, increasing investment income by 39% over the prior year.

Total Liabilities increased by \$1.5 billion to \$25.2 billion or 6% over the same comparable period in 2022. This increase was due to higher Deposits from Customers of \$1.1 billion or 5% to \$22 billion, as we continue to fund our credit expansion with a stable source of core deposits from all business lines. This is a key strategic priority as we continue to grow our Lending base, and demonstrates our customers' continued confidence in our brand.

Total Equity

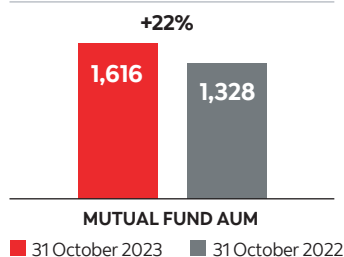
CAPITAL ADEQUACY



Total Equity closed the period at \$4.5 billion, an increase of \$155 million or 4% when compared to the balance as at 31 October 2022. The Bank's capital adequacy ratio stood at 17.02%, which continues to be significantly above the minimum capital adequacy ratio under new BASEL II regulations of 10%.

Wealth

MUTUAL FUNDS UNDER MANAGEMENT



Mutual Funds Under Management have seen good growth over the last year, registering an increase of \$288 million or 22% to close at \$1.6 billion as at 31 October 2023. The most significant area of growth has been in our TTD Short-Term Income Fund, which has more than doubled its portfolio over the last year from \$261 million to \$587 million, as our customers continue to seek a stable investment alternative in the current investment climate.

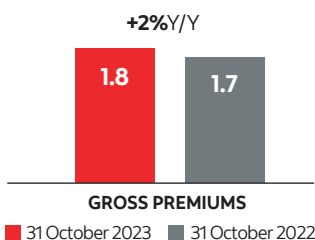
Insurance

Our Insurance subsidiary continues to be an integral part of the Group, representing 18% of NIAT. Total Gross Premiums increased by \$4 million or 1%, as we continue to leverage our customers' existing banking relationships to offer our products and deepen

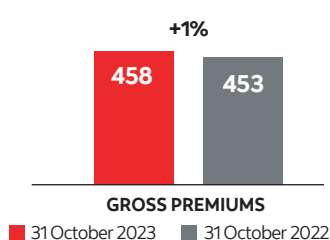
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POLICYHOLDER'S FUND Y/Y COMPARISON (TT\$'BN)



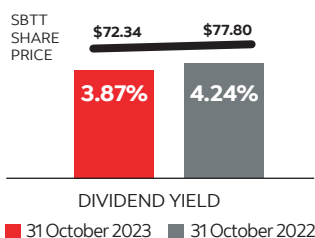
INSURANCE GROSS PREMIUMS



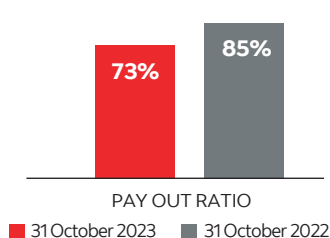
our relationships. In 2022, we launched a new suite of products tailored to the current market environment and this has been warmly received by our customers, with new product sales accounting for nearly 50% of policy sales for 2023. This is partially responsible for Policyholders Liabilities to increase by \$37 million or 2% over the prior year.

Dividends and Share Price

DIVIDEND YIELD AND SHARE PRICE



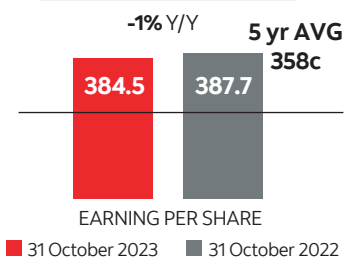
DIVIDEND PAYOUT RATIO



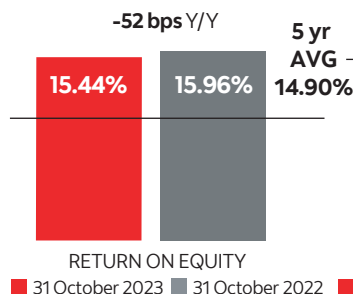
We continue to provide a very healthy return and capital appreciation for our shareholders. Total dividends declared of 280c compared to 330c in prior year, which is comparable to the average declaration over the last five years, excluding special dividends.

Earnings per Share, Return on Equity and Return on Assets

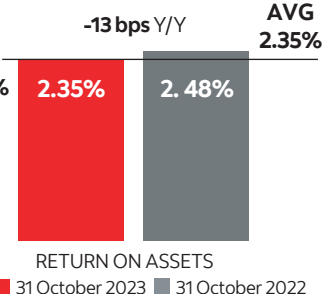
EARNINGS PER SHARE



RETURN ON EQUITY



RETURN ON ASSETS



Earnings per Share of 384.5c remains above the five-year average of 358c. Our Return on Equity and Return on Assets remain at healthy levels, on par or above the average return over the last five years and continue to be industry leading in the local banking sector.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Scotiabank forms an important part of the social and economic fabric of the places in which we operate. It is a role and responsibility that is not taken lightly. In carrying out our ESG Strategy, we continue to engage collaboratively with our stakeholders to maximize our impact as we build a more sustainable world for every future. Over the past quarter, we have made significant progress against our ESG agenda:

Environmental Action

We provide innovative, sustainable financial advice and solutions to support a successful transition towards a more sustainable future for our business, clients, customers and communities. Our Corporate and Commercial Banking Unit leverages the expertise of our Global Sustainable Finance Group to provide sustainable financing solutions and advisory services to corporate, financial, public sector and institutional clients. We assist clients in incorporating sustainability factors alongside their financing activities.

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Social Impact

For fiscal 2023, our community investments have benefitted 24,468 individuals and 17,336 youths: through working with 54 NGOs.

This past quarter, we commemorated World Steelpan Day with further donations of steelpans to schools. For over 40 years, Scotiabank has supported the promotion of our national instrument. In recent years, several schools and community groups have benefitted from our donations of steelpan equipment and tutoring. This year, commitments have been given to El Dorado East Secondary and Matura Government Primary School for their steelpan education programmes.

Approximately 365 young people participated in various developmental programmes sponsored by the Scotiabank Foundation during the July-August vacation period. The programmes were held in collaboration with partner NGOs and aimed at enhancing the capacity of a wide cross section of young people, ages 8-19.



And they're off! Participants in the Scotiabank Women Against Breast Cancer 5K at the race start.

The Scotiabank Women Against Breast Cancer 5K returned after a three-year hiatus due to the pandemic. The event attracted 5,000 registrants, including, for the first time, male allies. Our partnership with the TT Cancer Society has been deepened with a

\$250,000 donation made at the event, to be used to provide cancer screening services in communities across the country. To date, over 21,000 women have benefitted from such services.



Participants in the National Centre for Persons with Disabilities' Beauty Culture Programme during the nail care techniques class.

Inclusive Society

In helping to remove barriers for the advancement of persons with disabilities, support was provided to the National Centre for Persons with Disabilities' Beauty Culture and Agriculture Programmes.

These programmes are part of NCPD's focus on enhancing the lives of persons with disabilities through vocational rehabilitation training by providing them with an opportunity to learn skills that could improve their employability options.

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2023

Scotiabank®

To Our Shareholders

The Directors have announced that Scotiabank Trinidad and Tobago Limited (The Group) has realised profit after tax of \$678 million for the year ended October 31, 2023, a decrease of 1% under the prior year.

Whilst continuing to be impacted by record levels of inflation during 2023, business activity continues to improve in both our energy and non-energy sectors, coupled with a steady demand for retail banking products.

The Group recorded an increase in total revenue of \$39 million or 2%, driven mainly by growth in net interest income of \$168 million or 13%. We achieved higher loan volumes on our retail and commercial portfolios, coupled with increased yields on the Group's investment portfolio. Growth in net interest income was partially offset by a decline in other income of \$128 million or 24% due to lower trading revenues in keeping with local market dynamics.

Non-interest expenses increased by \$72 million or 10%, reflective of a combination of inflation, higher activity related and increased technology costs aligned with our delivery of enhanced digital capability, as well as improved quality and security of banking services provided to our customers. The Group actively manages its cost structure and we expect longer term benefits from our technology build as we continue our focus on sustainable growth. Our productivity ratio of 42% continues to be best-in-class in the local banking sector.

We continuously assess the impacts of potential risks associated with the credit quality of our loan portfolios and actively manage these exposures. For the year ended October 31, 2023, net impairment losses declined by \$4 million or 4% and the Group's ratio of non-accrual loans to total loans remained under 2%, reflecting the high quality of the loan portfolio.

The Group continues to record strong growth on Balance Sheet with Total Assets increasing by \$1.6 billion or 6% year over year. The majority of the growth in total assets was realized through increased loans to our Retail and Commercial banking segments, which increased by \$1.3 billion or 7%. Concurrently, the Group's deposit base increased by \$1.1 billion or 5% as customers continue to confidently invest across the spectrum of products that we offer. Our capital base increased by \$155 million over the prior year and our capital adequacy ratio stands at over 17%, well in excess of regulatory minimums.

In our continuing drive to provide reasonable returns to shareholders, whilst balancing the need to maintain adequate capital levels, we are pleased to announce that the Directors have approved a final dividend of 70c per share. This dividend is payable to shareholders on the Register of Members as at December 29, 2023, by January 19th, 2024.

In closing, on behalf of the Board of Directors, we would like to thank all of our customers and shareholders for the trust and confidence shown in us. We also thank our employees for their ongoing stellar efforts in providing high levels of customer service and extend thanks to our management for continuing to advance our key strategic initiatives as we work to ensure long-term profitable growth.

11 December, 2023



Derek Hudson
Chairman



Gayle Pazos
Managing Director

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

	UNAUDITED As at 31 October 2023	AUDITED As at 31 October 2022
ASSETS		
Cash on hand and in transit	187,028	138,221
Loans and advances to banks and related companies	1,090,429	652,582
Treasury bills	1,869,820	2,933,707
Deposits with Central Bank	3,193,913	2,369,244
Loans to customers	18,604,223	17,308,959
Investment securities	4,088,677	3,938,192
Investment in associated companies	48,806	43,428
Deferred tax assets	72,345	74,908
Property and equipment	336,472	353,262
Miscellaneous assets	50,218	64,807
Defined benefit pension fund asset	111,147	138,143
Goodwill	2,951	2,951
Taxation recoverable	-	4,916
TOTAL ASSETS	29,656,029	28,023,320
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits from customers	22,028,144	20,891,772
Deposits from banks and related companies	322,524	95,279
Other liabilities	752,547	662,933
Taxation payable	77,771	106,541
Policyholders' funds	1,783,773	1,746,579
Post-employment medical and life benefits obligation	193,044	184,199
Deferred tax liabilities	29,009	21,997
TOTAL LIABILITIES	25,186,812	23,709,300
EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	882,055	880,100
Investment revaluation reserve	15,282	(29,982)
Retained earnings	3,304,317	3,196,339
TOTAL EQUITY	4,469,217	4,314,020
TOTAL LIABILITIES AND EQUITY	29,656,029	28,023,320

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

	UNAUDITED Three months ended 31 October 2023	UNAUDITED Three months ended 31 October 2022	UNAUDITED Year ended 31 October 2023	AUDITED Year ended 31 October 2022
REVENUE				
Net Interest Income	356,164	332,988	1,414,069	1,246,260
Net Other Income	126,012	129,399	523,142	651,788
Total Revenue	482,176	462,387	1,937,211	1,898,048
EXPENSES				
Non-Interest Expenses	206,364	186,615	809,547	737,420
Net impairment loss on financial assets	21,528	25,346	105,891	110,069
PROFIT BEFORE TAXATION	254,284	250,426	1,021,773	1,050,559
Income tax expense	78,153	87,754	343,782	366,810
PROFIT FOR THE YEAR, ATTRIBUTABLE TO EQUITY HOLDERS	176,131	162,672	677,991	683,749
Dividends per share	70.0c	100.0c	280.0c	330.0c
Earnings per share	99.9c	92.2c	384.5c	387.7c

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

	UNAUDITED Three months ended 31 October 2023	UNAUDITED Three months ended 31 October 2022	UNAUDITED Year ended 31 October 2023	AUDITED Year ended 31 October 2022
PROFIT AFTER TAXATION	176,131	162,672	677,991	683,749
OTHER COMPREHENSIVE INCOME				
Remeasurement of post-employment benefits asset/liability, net of tax	(21,509)	8,115	(21,392)	2,511
Fair value remeasurement of debt instruments at FVOCI, net of tax	13,387	(9,742)	45,264	(47,575)
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	168,009	161,045	701,863	638,685

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

	AUDITED Year ended 31 October 2023	AUDITED Year ended 31 October 2022
Cash flows from operating activities		
Profit for the year	677,991	683,749
Change in loans to customers	(1,308,184)	(1,626,746)
Change in deposits from customers	1,124,999	570,004
Taxation paid	(370,403)	(338,798)
Other adjustments to reconcile income after taxation to net cash from operating activities	806,027	509,232
Net cash from operating activities	930,430	(202,559)
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	820,963	1,033,684
Change in investments	(231,041)	(1,672,522)
Purchase of property and equipment	(20,563)	(20,703)
Proceeds from disposal of property and equipment	8,000	-
Net cash used in investing activities	577,359	(659,541)
Cash flows used in financing activities		
Payment of lease liabilities	(22,608)	(20,008)
Dividends paid	(546,666)	(555,483)
Net cash used in financing activities	(569,274)	(575,491)
Increase (Decrease) in cash and cash equivalents	938,515	(1,437,591)
Cash and cash equivalents, beginning of period	1,671,633	3,109,224
Cash and cash equivalents, end of period	2,610,148	1,671,633
Cash and cash equivalents represented by:		
Cash on hand and in transit	187,028	138,221
Loans and advances to banks and related companies	1,090,429	652,582
Treasury Bills with original maturity date not exceeding 3 months	795,000	845,220
Surplus deposits with Central Bank	537,691	35,610
Cash and cash equivalents	2,610,148	1,671,633

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 31 October 2023

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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 2023					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020
Profit for the year	-	-	-	677,991	677,991
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	45,264	-	45,264
- Remeasurement of post-employment benefits asset/obligation	-	-	-	(21,392)	(21,392)
Total comprehensive income	-	-	45,264	656,599	701,863
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	1,955	-	(1,955)	-
Dividends paid	-	-	-	(546,666)	(546,666)
	-	1,955	-	(548,621)	(546,666)
Balance as at 31 October 2023	267,563	882,055	15,282	3,304,317	4,469,217
AUDITED					
Year ended 31 October 2022					
Balance as at 31 October 2021	267,563	815,100	30,593	3,130,562	4,243,818
Profit for the year	-	-	-	683,749	683,749
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(60,575)	-	(60,575)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	2,511	2,511
Total comprehensive income	-	-	(60,575)	686,260	625,685
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	65,000	-	(65,000)	-
Dividends paid	-	-	-	(555,483)	(555,483)
	-	65,000	-	(620,483)	(555,483)
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020

Segment reporting (stated in \$'000)

	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Total
UNAUDITED				
Year ended 31 October 2023				
Total Revenue	1,732,419	19,802	184,990	1,937,211
Material non-cash items				
Depreciation	34,665	-	-	34,665
Income before taxation	854,088	15,244	152,441	1,021,773
Assets	26,930,444	44,829	2,680,756	29,656,029
Liabilities	23,320,729	5,139	1,860,944	25,186,812
AUDITED				
Year ended 31 October 2022				
Total Revenue	1,705,848	24,935	167,265	1,898,048
Material non-cash items				
Depreciation	32,665	-	-	32,665
Income before taxation	911,481	12,910	126,168	1,050,559
Assets	25,459,585	43,255	2,555,139	28,057,979
Liabilities	21,938,205	4,075	1,801,679	23,743,959

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 2022.