

Media Release

For the Quarter ended 31 January, 2023

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Scotiabank Reports First Quarter Results

FIRST QUARTER HIGHLIGHTS

	THREE MONTHS ENDED 31 JANUARY 2023	THREE MONTHS ENDED 31 JANUARY 2022
Income after Taxation	\$189 million	\$185 million
Dividends per share	70.0c	65.0c
Earnings per share	107.3c	105.2c
Return on equity	17.35%	17.27%
Return on assets	2.63%	2.68%

Scotiabank Trinidad and Tobago Limited (The Group) realised Income after Tax of \$189 million for the quarter ended 31 January 2023, an increase of \$4 million or 2% over the comparable 2022 period.

The improvement in profitability has resulted in an increased Return on Equity from 17.27% to 17.35% as at 31 January 2023. Return on assets decreased slightly from 2.68% to 2.63% over the same comparative period due to higher asset growth. The increase in income after taxation was driven by strong growth in loans to our customers across all segments.

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

"I am pleased to announce that our first quarter is off to a good start, demonstrating the strength of our retail and commercial business lines. Loans to Customers

grew by \$1.5 billion or 9%, with \$501 million in the last quarter. This growth has fuelled total revenue of \$498 million, an increase of 5% over the same period in 2022, surpassing pre-pandemic levels. This loan enhancement is supported by increase in deposits of \$1.1 billion or 5%, highlighting the trust and confidence our customers continue to have in us as their financial partner.

“ We are proud to announce that, this quarter, we were awarded Bank of the Year 2022 by The Banker magazine. ”

We are proud to announce that, this quarter, we were awarded Bank of the Year 2022 by The Banker magazine. This was awarded to us in recognition of our successful digital strategy, including, among other things, our Scotia Caribbean App enhancements, and the increased engagement of our customers on our digital platforms. Digital transactions for the quarter ending 31 January 2023 stood at 1.4 million, an increase over last year, with a digital adoption rate of 51.1%.

In closing, I would like to thank our customers and employees for their contribution and look forward to another exciting year for us all.”

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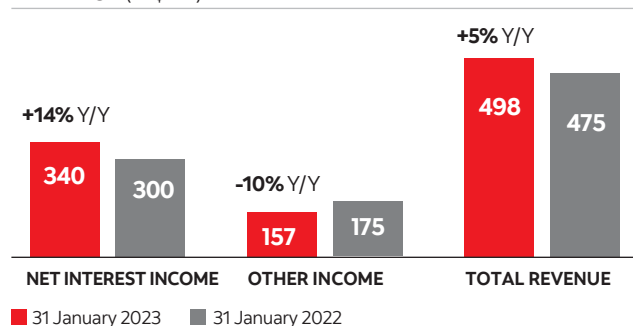
For the Quarter ended 31 January, 2023

GROUP FINANCIAL PERFORMANCE

Revenue

Total Revenue, comprising Net Interest Income and Other Income, was \$498 million for the period ended 31 January 2023, an increase of \$23 million or 5% over the prior year. Net Interest Income for the period was \$340 million, an increase of \$41 million or 14%, driven by growth in Loans to retail and corporate/commercial customers combined with higher yields on The Group's investment portfolio.

REVENUE (TT\$MM)

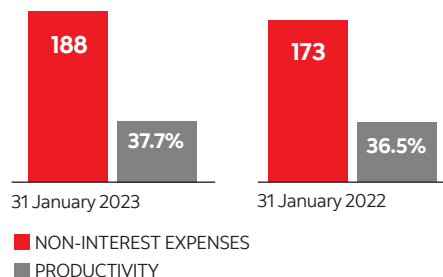


For the quarter ended 31 January 2023, Other Income of \$157 million decreased by \$18 million when compared to 2022. Notwithstanding the decrease during the first quarter, Other Income remains an important component of our financial performance and we continue to see increases in key lines such as credit card revenue and other activity-based revenue lines.

Non-Interest Expenses and Operating Efficiency

Total Non-Interest Expenses for the period ended 31 January 2023 was \$188 million, an increase of \$15 million when compared to the same period in 2022. We continue to be challenged by rising price inflation and its impact on expenditure. However, managing The Group's operational efficiency remains a strategic priority. Our productivity ratio of 37.7% as at 31 January 2023 remains the lowest within the domestic banking industry.

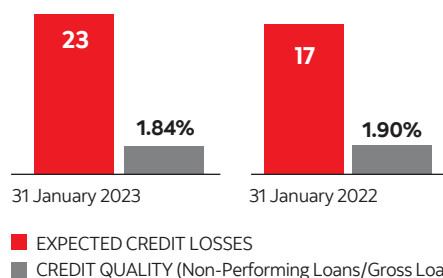
NON-INTEREST EXPENSES AND PRODUCTIVITY



Credit Quality

Net impairment losses on financial assets for the quarter ending 31 January 2023 were \$23 million, an increase of \$6 million or 33% over the prior year. We continue to adopt an appropriate credit risk methodology that takes into consideration various factors such as the geopolitical uncertainty and its potential to impact the local economy. Our credit quality has improved with the ratio of non-performing loans as a percentage of gross loans, reducing from 1.90% as at 31 January 2022 to 1.84% as at 31 January 2023.

EXPECTED CREDIT LOSSES AND CREDIT QUALITY



Balance Sheet

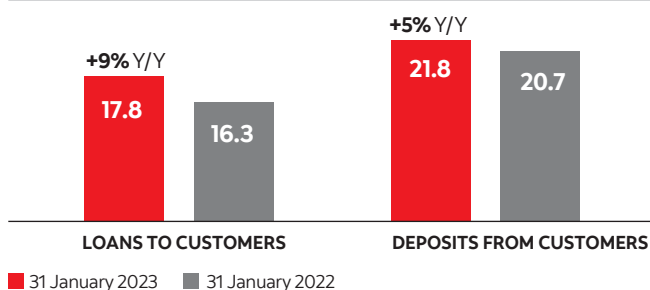
Total Assets were \$29 billion as at 31 January 2023, an increase of \$1.3 billion or 5% compared to the prior year. Loans to Customers, the Bank's largest interest earning asset, was \$17.8 billion as at 31 January 2023, an increase of 1.5 billion or 9%. This growth occurred in all segments in which we operate and is indicative of the continued economic recovery that we are seeing in the local economy.

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Investment securities and Treasury Bills stood at \$6.4 billion as at 31 January 2023, a decrease of \$399 million when compared to 31 January 2022. Despite the decline in balances, we realised increased investment income due to the positive impact of the rising USD interest rate environment.

LOANS AND DEPOSITS (TT\$BN)

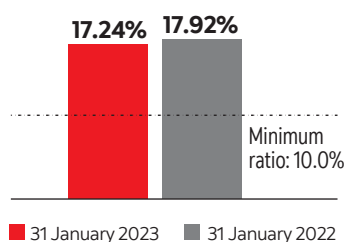


As at 31 January 2023, Total Liabilities increased by \$1.3 billion to \$24.7 billion or 5% over the same comparable period in 2022, mainly arising from an increase in Deposits from customers of \$1.1 billion or 5% to \$21.8 billion. The continued economic growth, coupled with our focus on attracting core deposits from both the retail and corporate/commercial customers, continues to provide a steady source of funding to continue our credit expansion.

Shareholders' Equity

Total Shareholders' Equity closed the period at \$4.3 billion, an increase of \$63 million or 1% when compared to the balance as at 31 January 2022. The Bank's capital adequacy ratio stood at 17.24% as at 31 January 2023, which continues to be significantly above the minimum capital adequacy ratio under new BASEL II regulations of 10%.

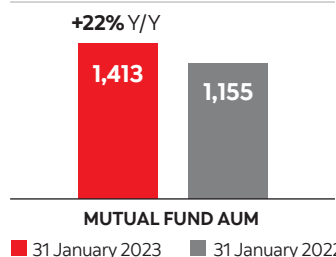
CAPITAL ADEQUACY



Wealth

Mutual Funds Under Management have seen stellar growth over the last year, registering an increase of \$258 million or 22% to close at \$1.4 billion as at 31 January 2023. The most significant area of growth has been in our TTD Short-Term Income Fund, which has grown by \$356 million in just over 18 months.

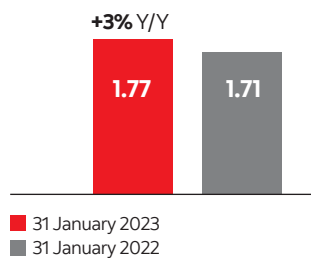
MUTUAL FUNDS UNDER MANAGEMENT (TT\$MM)



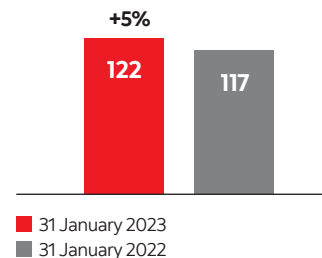
Insurance

Our Insurance subsidiary continues to be an integral part of The Group, representing 14% of NIAT. Total Gross Premiums increased by \$5 million or 5%, whilst Policyholder Funds increased by \$59 million or 3% over the prior year. In 2022, we successfully launched three new insurance products, which positively contributed to these increases and reaffirms our objective of seeking to deepen our relationships with our customers by offering products that suit their needs.

POLICYHOLDERS' FUND (TT\$BN)



INSURANCE GROSS PREMIUMS (TT\$MM)



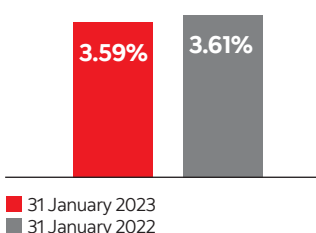
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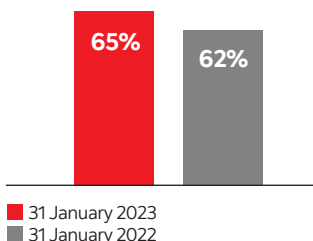
Dividends and Share Price

We continue to provide very healthy returns and capital appreciation for our shareholders. We have declared total dividends of 70c per share for the quarter, an 8% increase over the prior year's first quarter dividend of 65c per share. Our dividend payout ratio continues to be healthy at 65% and our improved financial performance during 2022 has led to an 8% increase in our share price over the prior year. Our overall dividend yield remains consistent at 3.6%.

DIVIDEND YIELD



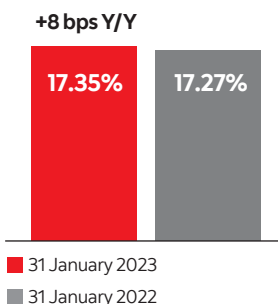
DIVIDEND PAYOUT RATIO



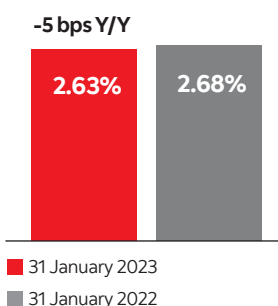
Return on Equity and Return on Assets

Improvement in profitability has led to increased Return on Equity from 17.27% to 17.35%. Return on Assets, however, declined slightly to 2.63% due to higher asset growth, driven by strong loans to customer growth.

RETURN ON EQUITY



RETURN ON ASSETS



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Scotiabank's approach to ESG focuses on four strategic pillars: Governance & Leadership, Social Impact, Environmental Action, and Inclusive Society.

We develop, implement, and invest in initiatives across these areas in order to maximise impact on our operations, our customers and the world around us, for every future.

Fiscal 2023 is off to a great start for us as we progress on our ESG agenda.

Governance & Leadership

- Robust governance and clear leadership are essential for creating value, serving our customers and achieving long-term performance.
- Employee engagement continues to be strong at 84%.
- We have been recognised, this quarter, for our innovation and leadership in the local market by two prestigious global institutions - Latin Finance and The Banker, which have both named Scotiabank as Trinidad and Tobago's Bank of the Year 2022.

Social Impact

- Our community investments this quarter have benefitted 10,780 individuals and 5,588 youths through working with 11 NGOs.
- To help provide relief to those adversely affected by flooding throughout the country in November 2022, we provided financial support to the Supermarkets Association of Trinidad and Tobago (SATT) whose relief efforts were coordinated with the Office of Disaster Preparedness and Management (ODPM), municipal corporations and various NGOs. In addition to food, basic medical supplies, hygiene products detergents and sanitizing products are being provided to impacted households.

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Young cricketers at the Launch of the Scotiabank NextGen Cricket Programme 2023.

- The 2023 edition of the Scotiabank NextGen Cricket Development Programme, which will benefit over 300 youths in Trinidad and Tobago, was launched in January. Our investment of \$300,000 is geared towards helping young people to further refine their skills and expertise so they can continue to develop in the sport of cricket, as well as enhance their life and capacity building skills, preparing them for future success and boosting their economic resilience.

Environmental Action

- We have entered our third year of partnership with the SURE Foundation, distributing seedlings and trees to communities across the country, helping to encourage households to grow their own food, promoting sustainable livelihoods.



Employees help distribute seedlings in the community of Couva.

Inclusive Society

- Employees continue to participate in Sign Language Training to enable them to provide an inclusive customer experience.
- Further to the enhanced Parental Leave benefit introduced in 2022, the Paternity Leave Policy has been increased from four weeks to eight weeks.

Scotiabank Trinidad and Tobago Limited

Financial results for the period ended 31 January 2023

Scotiabank®

To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited (The Group) has realised profit after tax of \$189 million for the three months ended 31 January 2023, an increase of \$4 million, or 2% over the prior year.

Compared to the prior year, The Group recorded an increase in Total Revenue of \$23 million or 5%. This increase was mainly due to growth in net interest income of \$41 million or 14%, driven by higher loan volumes across both our retail and commercial portfolios. This growth was achieved through initiatives focused on relationship banking and competitive rate offerings.

Non-interest expenses increased by \$14 million or 8%, mainly due to the higher activity costs arising from improved business momentum year over year. In addition, The Group continues to navigate the inflationary impacts surrounding the ongoing global geopolitical events and global supply chain shortages. These have resulted in upward pressures being exerted on domestic prices and the cost of operations and investments to support business growth. We continue to actively manage our cost structure through ongoing operational efficiency exercises and this strategy has resulted in our productivity ratio coming in at 38%, which continues to be best in class in the local banking sector.

The Group continuously assesses the impacts of potential risks associated with the credit quality of our loan portfolios. In Q1 2023, provisions for credit losses increased by \$6 million or 33% over the prior year. While The Group focuses on maintaining levels of high credit quality, these provisions are forward looking in nature and reflect a prudent approach to the potential impacts of economic headwinds on our customer base. Our current non-accrual loan ratio remains under 2%, reflecting the high quality of the loan portfolio.

These earnings were driven by a strong Balance Sheet growth, with Total Assets increasing by \$1.3 billion or 5% year over year. Our focus on relationship banking across the commercial and retail segments has resulted in high quality loan growth of \$1.5 billion or 9%, fuelled by increases in stable customer deposits of \$1.1 billion or 5% and the redeployment of excess liquidity from reserves. These net assets stand on a resilient foundation, with The Group maintaining capital levels well in excess of regulatory minimums.

The Group's focus remains on maximising shareholder value and the continuous improvement of the banking experience for its customers. Our investment in technology stands at the forefront, with our recent advantage of Scotia eCom+® which is supported by our proprietary Gateway. This shared focus across the organisation has been reflected in The Group achieving the prestigious Bank of the Year award by Banker Magazine in December 2022. This demonstrates the confidence and commitment of our customers and stakeholders in our ability to foster inclusive, sustainable and profitable growth.

Based on these results, the Directors have approved a first quarter dividend of 70 cents per share, to be paid to shareholders on the Register of Members as at 20th March 2023, payable on 11th April 2023.

6 March 2023



Derek Hudson
Chairman



Gayle Pazos
Managing Director

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

	UNAUDITED As at 31 January 2023	UNAUDITED As at 31 January 2022	AUDITED As at 31 October 2022
ASSETS			
Cash on hand and in transit	158,536	144,666	138,221
Loans and advances to banks and related companies	1,020,452	756,691	652,582
Treasury Bills	2,456,310	4,053,341	2,933,707
Deposits with Central Bank	2,904,621	2,641,496	2,369,244
Loans to customers	17,809,681	16,290,047	17,308,959
Investment securities	3,993,623	3,194,327	3,938,192
Investment in associated companies	44,523	40,805	43,428
Deferred tax assets	104,991	61,172	109,567
Property and equipment	350,743	354,867	353,262
Miscellaneous assets	58,286	44,870	64,807
Defined benefit pension fund asset	140,215	131,328	138,143
Goodwill	2,951	2,951	2,951
Taxation recoverable	-	4,916	4,916
TOTAL ASSETS	29,044,932	27,721,477	28,057,979
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	21,811,124	20,734,855	20,891,772
Deposits from banks and related companies	81,553	42,582	95,279
Other liabilities	680,957	632,510	662,933
Taxation payable	112,387	91,385	106,541
Policyholders' funds	1,765,130	1,706,051	1,746,579
Post-employment medical and life benefits obligation	188,877	180,015	184,199
Deferred tax liabilities	65,596	57,755	56,656
TOTAL LIABILITIES	24,705,624	23,445,153	23,743,959
EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	880,995	835,100	880,100
Investment revaluation reserve	(17,614)	27,540	(29,982)
Retained earnings	3,208,364	3,146,121	3,196,339
TOTAL EQUITY	4,339,308	4,276,324	4,314,020
TOTAL LIABILITIES AND EQUITY	29,044,932	27,721,477	28,057,979

Consolidated statement of profit or loss (stated in \$'000)

	UNAUDITED Three months ended 31 January 2023	UNAUDITED Three months ended 31 January 2022	AUDITED Year ended 31 October 2022
REVENUE			
Net Interest Income	340,389	299,575	1,246,260
Other Income	157,434	175,340	651,788
Total Revenue	497,823	474,915	1,898,048
EXPENSES			
Non-Interest Expenses	187,685	173,482	737,420
Net impairment loss on financial assets	22,894	17,193	110,069
PROFIT BEFORE TAXATION	287,244	284,240	1,050,559
Income tax expense	97,980	98,789	366,810
PROFIT AFTER TAXATION	189,264	185,451	683,749
Dividends per share	70.0c	65.0c	330.0c
Earnings per share	107.3c	105.2c	387.7c

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

	UNAUDITED Three months ended 31 January 2023	UNAUDITED Three months ended 31 January 2022	AUDITED Year ended 31 October 2022
PROFIT AFTER TAXATION	189,264	185,451	683,749
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	-	-	2,511
Fair value remeasurement of debt instruments at FVOCI, net of tax	12,368	(3,053)	(60,575)
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	201,632	182,398	625,685

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

	UNAUDITED Three months ended 31 January 2023	UNAUDITED Three months ended 31 January 2022	AUDITED Year ended 31 October 2022
Cash flows from operating activities			
Profit for the year	189,264	185,451	683,749
Change in loans to customers	(494,714)	(554,399)	(1,626,746)
Change in deposits from customers	916,592	490,966	570,004
Taxation paid	(85,501)	(66,336)	(338,798)
Other adjustments to reconcile income after taxation to net cash from operating activities	68,579	9,677	509,232
Net cash from operating activities	594,220	65,359	(202,559)
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	627,417	(1,419,910)	1,033,684
Change in investments	-	(121,629)	(1,672,522)
Purchase of property and equipment	-	-	(20,703)
Proceeds from disposal of share in associate company	-	-	-
Proceeds from disposal of property and equipment	9,294	1,344	-
Net cash used in investing activities	636,711	(1,540,195)	(659,541)
Cash flows used in financing activities			
Payment of lease liabilities	(7,759)	(4,164)	(20,008)
Dividends paid	(176,344)	(149,892)	(555,483)
Net cash used in financing activities	(184,103)	(154,056)	(575,491)
Increase (Decrease) in cash and cash equivalents	1,046,828	(1,628,892)	(1,437,591)
Cash and cash equivalents, beginning of period	1,671,633	3,109,224	3,109,224
Cash and cash equivalents, end of period	2,718,461	1,480,332	1,671,633
Cash and cash equivalents represented by:			
Cash on hand and in transit	158,536	144,666	138,221
Loans and advances to banks and related companies	1,020,452	756,691	652,582
Treasury Bills with original maturity date not exceeding 3 months	523,251	346,000	845,220
Surplus deposits with Central Bank	1,016,222	232,975	35,610
Cash and cash equivalents	2,718,461	1,480,332	1,671,633

Scotiabank Trinidad and Tobago Limited

Financial results for the period ended 31 January 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					
Three months ended 31 January 2023					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020
Profit for the year	-	-	-	189,264	189,264
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	12,368	-	12,368
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	-	-	12,368	189,264	201,632
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	895	-	(895)	-
Dividends paid	-	-	-	(176,344)	(176,344)
	-	895	-	(177,239)	(176,344)
Balance as at 31 January 2023	267,563	880,995	(17,614)	3,208,364	4,339,308
UNAUDITED					
Three months ended 31 January 2022					
Balance as at 31 October 2021	267,563	815,100	30,593	3,130,562	4,243,818
Profit for the year	-	-	-	185,451	185,451
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(3,053)	-	(3,053)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	-	-	(3,053)	185,451	182,398
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	20,000	-	(20,000)	-
Dividends paid	-	-	-	(149,892)	(149,892)
	-	20,000	-	(169,892)	(149,892)
Balance as at 31 January 2022	267,563	835,100	27,540	3,146,121	4,276,324
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 & Commercial Banking	Corporate & Asset Management	Insurance Services	Other	Total
UNAUDITED					
Three months ended 31 January 2023					
Total Revenue	452,272	4,644	40,907	-	497,823
Material non-cash items					
Depreciation	8,249	-	-	-	8,249
Income before taxation	250,308	4,117	32,818	-	287,244
Assets	26,394,077	46,968	2,603,886	-	29,044,932
Liabilities	22,875,132	4,936	1,825,556	-	24,705,624
UNAUDITED					
Three months ended 31 January 2022					
Total Revenue	430,211	4,183	40,521	-	474,915
Material non-cash items					
Depreciation	8,218	-	-	-	8,218
Income before taxation	247,417	3,479	33,342	-	284,240
Assets	25,173,584	46,090	2,501,803	-	27,721,477
Liabilities	21,695,388	942	1,748,823	-	23,445,153
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	909,801	12,910	126,168	1,680	1,050,559
Assets	25,458,658	43,255	2,555,139	927	28,057,979
Liabilities	21,937,283	4,075	1,801,679	922	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.