

Media Release

For the Quarter ended 30 April 2023

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Scotiabank Reports Second Quarter Results

SECOND QUARTER HIGHLIGHTS

	SIX MONTHS ENDED 30 APRIL 2023	SIX MONTHS ENDED 30 APRIL 2022
Profit After Taxation	\$344 million	\$356 million
Dividends per share	140c	130c
Earnings per share	195c	202c
Return on Equity	15.9%	16.8%
Return on Assets	2.4%	2.6%

Scotiabank Trinidad and Tobago Limited (The Group) realized Profit After Taxation of \$344 million for the six months ended 30 April 2023, compared to \$356 million in the same period last year. Return on Equity was 16.8%, compared to 15.9% and Return on Assets was 2.6%, compared to 2.4% over the same comparative period. Notwithstanding the lower profitability, we have announced an improved return to our shareholders with year-to-date dividends of 140c, compared to 130c paid in 2022. Commenting on the results, Managing Director of Scotiabank Trinidad and Tobago Limited, Gayle Pazos remarked:

“Despite inflationary pressures impacting our expense profile, I am pleased with the Group's core performance. Operational revenue continues to improve, with Net Interest Income improving by 16% year over year and 4% over the last quarter. Retail and Commercial loans collectively grew by \$1.5 billion or 9%, demonstrating the strength of our business lines, the confidence that our customers continue to place in us and our commitment to our market.

“ We see ourselves as an important part of the economic and social fabric of the communities in which we operate... ”

*Our award-winning digital transformation continues to strengthen our customer relationships through new tools and advancements that help them conduct their business faster, easier and more securely. We are pleased to announce, in respect of our **Scotia Access** customers, the launch of new tools, offering dedicated support at the touch of a button through the Scotia App. We are first to the local market with this digital*

*functionality, enabling our **Scotia Access** customers to have instant messaging, voice and video calling with their designated advisors within our secured banking platform.*

Our customers continue to embrace our digital platforms with a record digital adoption of 51.7%, and digital transactions stood at 2.4 million, an increase of 20% year over year.

We see ourselves as an important part of the economic and social fabric of the communities in which we operate and we take our responsibility seriously. As part of our Environmental, Social and Governance (ESG) strategy, our aim is to help educate the public and our employees

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on some of the most pressing environmental issues we face and raise awareness of the opportunities that exist in our day-to-day lives to make more sustainable choices. As part of our commitment for Earth Day 2023, Scotiabank, together with our partners and our employees, led seedling distribution drives in local communities, making a positive contribution to food sustainability and carbon capture.

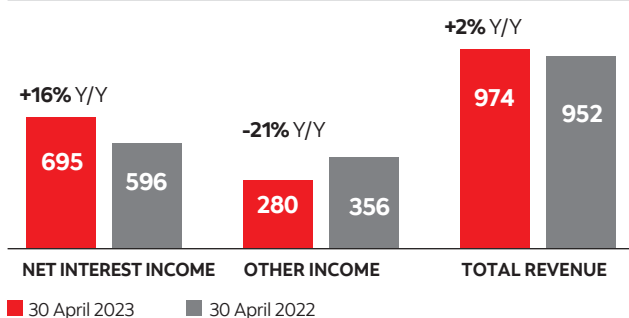
In closing, I would like to thank our team for their continued support and contribution during the last quarter. Your dedication and commitment are the foundation of the continued success of our Bank.

GROUP FINANCIAL PERFORMANCE

Revenue

Total Revenue, comprising of Net Interest Income and Other Income, was \$974 million for the period ended 30 April 2023, an increase of \$22 million or 2% over the prior year. Net Interest Income for the period was \$695 million, an increase of \$98 million or 16%, driven by growth in Loans to retail and corporate/commercial customers combined with improved yields on the Group's investment portfolio.

REVENUE (TT\$MM)

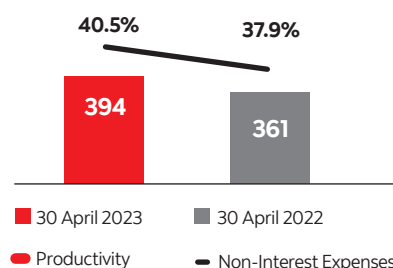


For the six months ended 30 April 2023, Other Income of \$280 million decreased by \$76 million compared to 2022 primarily due to lower trading revenues. Other Income remains an important component of our profitability and we have seen partial offsetting growth in key segments such as Insurance and Wealth as well as activity-based revenues such as Card Revenues.

Non-Interest Expenses and Operating Efficiency

Total Non-Interest Expenses for the period ended 30 April 2023 was \$394 million, higher by \$34 million or 9% when compared to the same period in 2022. Consistent with the challenges being faced throughout the global and local economies, we continue to be challenged by rising price inflation and its impact on direct and activity-based costs. Managing operational efficiency remains a strategic priority, and our productivity ratio of 40.5% as at 30 April 2023 remains the lowest within the local banking sector.

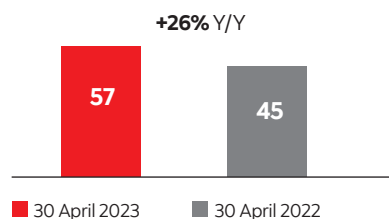
NON-INTEREST EXPENSES AND PRODUCTIVITY



Credit Quality

Net impairment losses on financial assets for the quarter ending 30 April 2023 were recorded at \$57 million, an increase of \$12 million or 26% over the prior year, which is consistent with the growth in our

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS TT \$ 'MM



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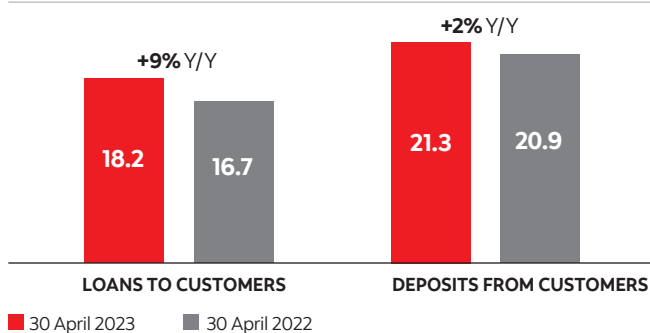
loan portfolio. Our credit quality has improved with the ratio of non-performing loans as a percentage of gross loans, improving to 1.79% as of 30 April 2023 from 1.86% in the prior year as a result of improved delinquency within our loan portfolio.

Balance Sheet

Total Assets were \$28.8 billion as at 30 April 2023, an increase of \$856 million or 3%, compared to the prior year. Loans to Customers, the Bank's largest interest earning asset, was \$18.2 billion as at 30 April 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.

Investment securities and Treasury Bills stood at \$6.3 billion as at 30 April 2023, a decrease of \$677 million when compared to 30 April 2022. We continue to align our investment strategy with current conditions, with funds channelled to higher-earning assets with the positive impact of rising USD interest rates realising higher investment income.

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



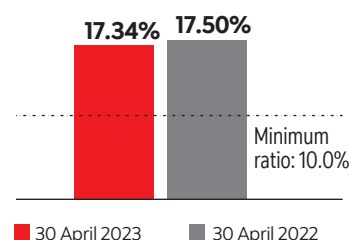
Total Liabilities increased by \$785 million to \$24.4 billion or 3% over the same comparable period in 2022, mainly arising from an increase in Deposits from Customers of \$346 million or 2% to \$21.3 billion. The continued economic growth, coupled with our focus on attracting core deposits from both the retail and corporate/commercial customers, continue to provide a steady source of funding to continue our credit expansion.

Total Equity

Total Equity closed the period at \$4.4 billion, an increase of \$71 million or 2% when compared to the balance as at 30 April 2022. The Bank's capital adequacy ratio stood at 17.34% as at 30 April 2023, which continues to be significantly above the minimum capital adequacy ratio under new BASEL II regulations.

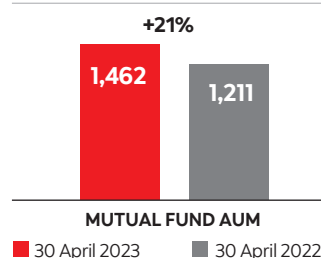
Wealth

CAPITAL ADEQUACY



Mutual Funds Under Management have seen good growth over the last year, registering an increase of \$251 million or 21% to close at \$1.5 billion as at 30 April 2023. The most significant area of growth has been in our TTD Short-Term Income Fund, which increased by \$356 million since launch as our customers continue to seek a stable investment alternative in the current investment climate.

MUTUAL FUNDS UNDER MANAGEMENT (TT\$MM)



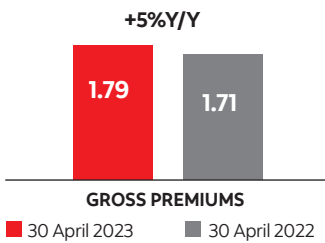
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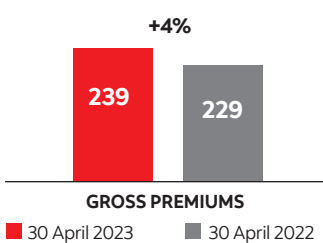
Insurance

Our Insurance subsidiary continues to be an integral part of the Group, representing 16% of NIAT. Total Gross Premiums increased by \$10 million or 4%, whilst Policyholder Funds increased by \$85 million or 5% over the prior year. With the launch of new insurance products in 2022 combined with our stable returns, our products continue to offer enhanced value to our customers as we seek to deepen our relationships.

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



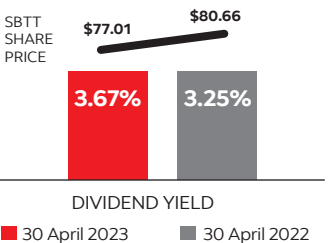
INSURANCE GROSS PREMIUMS



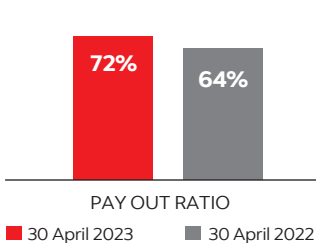
Dividends and Share Price

We continue to provide a very healthy return and capital appreciation for our shareholders. We have declared total dividends of 140c for the year thus far, an 8% increase over the prior year's dividend of 130c per share. Our dividend payout ratio continues to be healthy at 72%, higher than the ratio for the same period last year of 64% with an improved dividend yield of 3.67%.

DIVIDEND YIELD AND SHARE PRICE



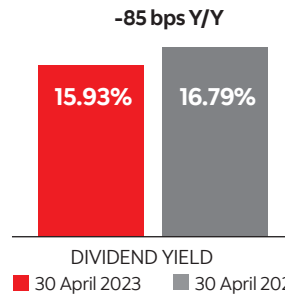
DIVIDEND PAYOUT RATIO



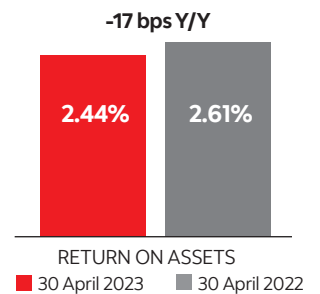
Return on Equity and Return on Assets

Return on Equity of 15.93% compared to 16.79% and Return on Assets of 2.44% compared to 2.61%. These ratios continue to be amongst the industry leaders in the local banking sector.

RETURN ON EQUITY



RETURN ON ASSETS



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Purpose is embedded in Scotiabank's DNA — we're here for every future, to help our customers, colleagues, shareholders and communities thrive.

Across all levels of the organization, we are leading important work to create a more sustainable and inclusive world through the Bank's ESG efforts.

Environmental Action

- We continue to work with partners and our employees, supporting initiatives that promote sustainable practices and a reduction in our carbon footprint.
- Our employees led a community seedling distribution drive in Lowlands, Tobago with partner, the SURE Foundation for Earth Day. Through this effort, 50,000 seedlings and 100 fruit trees were distributed.



The Trinidad & Tobago Cancer Society was the beneficiary of \$100,000 from the Scotiabank Charity Golf Tournament.

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- Globally, we announced acceptance of grant submissions for our Net-Zero Research Fund. Not-for-profit and charitable organizations developing research and opportunities to decarbonize key sectors of our economy can submit their proposals for funding.

Social Impact

- In 2023, our community investments have benefitted 22,188 individuals and 15,663 youths through working with 16 NGOs.
- We celebrate the successes of our national U15 cricket team and junior track and field athletes who represented Trinidad and Tobago at the recently concluded CWI Rising Stars Tournament and Carifta Games. The national U15 team was selected from the Scotiabank NextGen U15 Cricket Programme and eight of the 10 recipients of the Scotiabank/NAATT Deon Lendore Bursary Programme made it to the national team at Carifta Games 2023.



St. James Police Youth Club members participate in the Youth Carpentry Training Programme facilitated by Habitat for Humanity and sponsored by Scotiabank.

- We have partnered with Habitat for Humanity for youth skills training programme for young people aged 17-24 years. Through Habitat's partnerships with Police Youth Clubs nationwide, participants are furthering their skills in Construction Technology and Youth Carpentry Training, as well as Financial Literacy and Credit Management.
- Students at St. Mary's Mucurapo Boys' and Girls' R.C. Primary Schools are now benefiting from new steelpans donated by the Scotiabank



Students of Mucurapo Boys' R.C. play a few notes on the steelpans donated by the Scotiabank Foundation.

Foundation through United Way's Building Bridges to Success Programme.

- The TT Cancer Society was the beneficiary of our Charity Golf Tournament. Funds will be used towards providing cancer education and screening to communities across the country.

Inclusive Society

- Employees continue to participate in Sign Language Training to enable them to provide an inclusive customer experience. We remain the only bank with front line branch employees trained in sign language.

Governance & Leadership

- Effective risk management is a critical element of our governance approach. We have a strong, disciplined risk culture where managing risk is a responsibility shared by all Bank employees. Together, our strong risk culture, commitment to ethical and responsible business conduct, and continued enhancement of our compliance practices allow us to ensure the highest degree of integrity while keeping the Bank and our customers safe.
- All employees have completed their Risk Culture Attestation and Mandatory Learning to date.

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2023

To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Limited (The Group) has realised profit after tax of \$344 million for the six months ended April 30, 2023 a decrease of \$12MM or 3.5% over the prior year.

The Group's total revenue increased by \$22 million or 2% mainly due to a \$98 million or 16% growth in net interest income driven by higher loan volumes across our retail and commercial portfolios coupled with increases in yields on the Group's investment portfolio. Partially offsetting the increase in net interest income was a \$76 million or 21% decline in other income.

Non-interest expenses increased by \$34 million or 9% because of higher activity-related costs arising from increased business activity levels, continued investment in our people and technological platforms and the impact of the increased inflationary pressures prevalent in the local and global economies. We continue to actively manage our cost structure and have introduced enhanced processes for sustainable growth. This strategy has resulted in a productivity ratio of 40% 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. To the end of 30 April 2023, net impairment losses increased by \$12 million or 26% over the prior year. This increase is a function of strong loan growth during the year coupled with reversals of expected credit losses in the prior year. Our ratio of non-accrual loans to total loans continues to trend under 2% reflecting the high quality of the loan portfolio.

The Group continues to record strong growth in our Balance Sheet with Total Assets increasing by \$856 million or 3% year over year. This was achieved through balanced loan growth across our retail and commercial banking segments, recording an increase of \$1.4 billion or 9% year over year and funded by a \$0.3 billion increase in deposit balances. Our capital base has increased by \$71 million over the prior year and we continue to maintain capital levels well in excess of regulatory minimums.

We continue to invest to maximize shareholder value and improve the banking experience for our customers. We recently introduced new and improved features and tools for our Scotia Access customers which offer dedicated support at the touch of a button through our Scotia Caribbean App. We also continue to focus on our Environmental, Social and Governance (ESG) strategy and during the quarter, together with our partners and our employees, we led seedling distribution drives in local communities making a positive contribution to food sustainment and carbon capture.

Based on these results, the Directors have approved a first quarter dividend of 70c per share, to shareholders on the Register of Members as at June 20, 2023, payable by July 11, 2023.

5 June, 2023

Derek Hudson
Chairman

Gayle Pazos
Managing Director

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

	UNAUDITED As at 30 April 2023	UNAUDITED As at 30 April 2022	AUDITED As at 31 October 2022
ASSETS			
Cash on hand and in transit	153,316	165,529	138,221
Loans and advances to banks and related companies	506,973	861,379	652,582
Treasury bills	2,196,365	3,738,374	2,933,707
Deposits with Central Bank	2,923,815	2,504,091	2,369,244
Loans to customers	18,197,899	16,745,112	17,308,959
Investment securities	4,121,990	3,247,457	3,938,192
Investment in associated companies	45,872	41,522	43,428
Deferred tax assets	98,496	71,608	109,567
Property and equipment	345,417	346,221	353,262
Miscellaneous assets	32,647	41,766	64,807
Defined benefit pension fund asset	152,194	151,475	138,143
Goodwill	2,951	2,951	2,951
Taxation recoverable	-	4,916	4,916
TOTAL ASSETS	28,777,935	27,922,401	28,057,979
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	21,258,130	20,912,368	20,891,772
Deposits from banks and related companies	368,191	68,534	95,279
Other liabilities	623,291	579,004	662,933
Taxation payable	82,988	95,101	106,541
Policyholders' funds	1,793,999	1,709,304	1,746,579
Post-employment medical and life benefits obligation	193,555	184,545	184,199
Deferred tax liabilities	65,923	52,712	56,656
TOTAL LIABILITIES	24,386,077	23,601,568	23,743,959
EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	880,995	835,100	880,100
Investment revaluation reserve	(2,753)	3,780	(29,982)
Retained earnings	3,246,053	3,214,390	3,196,339
TOTAL EQUITY	4,391,858	4,320,833	4,314,020
TOTAL LIABILITIES AND EQUITY	28,777,935	27,922,401	28,057,979

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

	UNAUDITED Three months ended 30 April 2023	UNAUDITED Three months ended 30 April 2022	UNAUDITED Six months ended 30 April 2023	UNAUDITED Six months ended 30 April 2022	AUDITED Year ended 31 October 2022
REVENUE					
Net Interest Income	354,126	296,874	694,515	596,450	1,246,260
Net Other Income	122,212	180,634	279,646	355,973	651,788
Total Revenue	476,338	477,508	974,161	952,423	1,898,048
EXPENSES					
Non-Interest Expenses	206,596	187,063	394,281	360,545	737,420
Net impairment loss on financial assets	34,178	28,165	57,072	45,358	110,069
PROFIT BEFORE TAXATION	235,564	262,280	522,808	546,520	1,050,559
Income tax expense	80,874	91,275	178,854	190,064	366,810
PROFIT FOR THE YEAR, ATTRIBUTABLE TO EQUITY HOLDERS	154,690	171,005	343,954	356,456	683,749
Dividends per share	70.0c	65.0c	140.0c	130.0c	330.0c
Earnings per share	87.7c	97.0c	195.0c	202.1c	387.7c

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

	UNAUDITED Three months ended 30 April 2023	UNAUDITED Three months ended 30 April 2022	UNAUDITED Six months ended 30 April 2023	UNAUDITED Six months ended 30 April 2022	AUDITED Year ended 31 October 2022
PROFIT AFTER TAXATION	154,690	171,005	343,954	356,456	683,749
OTHER COMPREHENSIVE INCOME					
Remeasurement of post-employment benefits asset/obligation, net of tax	6,439	11,888	6,439	11,888	2,511
Fair value remeasurement of debt instruments at FVOCI, net of tax	14,861	(23,760)	27,229	(26,813)	(60,575)
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	175,990	159,133	377,622	341,531	625,685

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

	UNAUDITED Six months ended 30 April 2023	UNAUDITED Six months ended 30 April 2022	AUDITED Year ended 31 October 2022
Cash flows from operating activities			
Profit for the year	343,954	356,456	683,749
Change in loans to customers	(880,594)	(1,021,984)	(1,626,746)
Change in deposits from customers	364,226	668,776	570,004
Taxation paid	(154,389)	(171,163)	(338,798)
Other adjustments to reconcile income after taxation to net cash from operating activities	(63,460)	100,413	509,232
Net cash from operating activities	(390,263)	(67,502)	(202,559)
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	1,471,510	(199,257)	1,033,684
Change in investments	410,284	(679,596)	(1,672,522)
Purchase of property and equipment	(4,467)	(586)	(20,703)
Proceeds from disposal of property and equipment	8,000	3,935	-
Net cash used in investing activities	1,885,327	(875,504)	(659,541)
Cash flows used in financing activities			
Payment of lease liabilities	(12,095)	(6,419)	(20,008)
Dividends paid	(299,784)	(264,516)	(555,483)
Net cash used in financing activities	(311,879)	(270,935)	(575,491)
Increase (Decrease) in cash and cash equivalents	1,183,185	(1,213,941)	(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	2,854,818	1,895,283	1,671,633
Cash and cash equivalents represented by:			
Cash on hand and in transit	153,316	165,529	138,221
Loans and advances to banks and related companies	506,973	861,379	652,582
Treasury Bills with original maturity date not exceeding 3 months	1,579,388	183,580	845,220
Surplus deposits with Central Bank	615,141	684,795	35,610
Cash and cash equivalents	2,854,818	1,895,283	1,671,633

Scotiabank Trinidad And Tobago Limited

Financial results for the period ended 30 April 2023

Consolidated statement of changes in equity (stated in \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED					
Six months ended 30 April 2023					
Balance as at 31 October 2022	267,563	880,100	(29,982)	3,196,339	4,314,020
Profit for the year	-	-	-	343,954	343,954
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	27,229	-	27,229
- Remeasurement of post-employment benefits asset/obligation	-	-	-	6,439	6,439
Total comprehensive income	-	-	27,229	350,393	377,622
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	895	-	(895)	-
Dividends paid	-	-	-	(299,784)	(299,784)
	-	895	-	(300,679)	(299,784)
Balance as at 30 April 2023	267,563	880,995	(2,753)	3,246,053	4,391,858
UNAUDITED					
Six months ended 30 April 2022					
Balance as at 31 October 2021	267,563	815,100	30,593	3,130,562	4,243,818
Profit for the year	-	-	-	356,456	356,456
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(26,813)	-	(26,813)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	11,888	11,888
Total comprehensive income	-	-	(26,813)	368,344	341,531
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	20,000	-	(20,000)	-
Dividends paid	-	-	-	(264,516)	(264,516)
	-	20,000	-	(284,516)	(264,516)
Balance as at 30 April 2022	267,563	835,100	3,780	3,214,390	4,320,833
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	Other	Total
UNAUDITED					
Six months ended 30 April 2023					
Total Revenue	879,636	9,293	85,232	-	974,161
Material non-cash items					
Depreciation	17,111	-	-	-	17,111
Income before taxation	446,719	7,766	68,323	-	522,808
Assets	26,060,749	49,238	2,667,948	-	28,777,935
Liabilities	22,524,866	4,669	1,856,542	-	24,386,077
UNAUDITED					
Six months ended 30 April 2022					
Total Revenue	862,352	8,538	81,533	-	952,423
Material non-cash items					
Depreciation	16,284	-	-	-	16,284
Income before taxation	475,946	4,249	66,325	-	546,520
Assets	25,339,319	50,490	2,532,592	-	27,922,401
Liabilities	21,839,800	5,481	1,756,287	-	23,601,568
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.