Consolidated Financial Statements of

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

October 31, 2025

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

October 31, 2025

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Statement of Management's Responsibilities
Scotiabank Trinidad and Tobago Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Scotiabank Trinidad and Tobago Limited (the Bank) and its subsidiaries (collectively, the Group), which comprise the consolidated statement of financial position as at October 31, 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards) and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Gayle Pazos	Reshard Mohammed
Managing Director	Chief Financial Officer
Date: December 18, 2025	Date: December 18, 2025

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Scotiabank Trinidad and Tobago Limited ("the Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at October 31, 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Expected Credit Losses on Loans

See notes 3(e), 8 and 29.1 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.

Description of key audit matter

Loans, net of allowance for expected credit losses, represent 65% or $21 billion of the Group's total assets. An allowance for credit losses on loans of $351 million and an impairment charge of $232 million were recognised by the Group as at and for the year ended October 31, 2025.

The Group applies a three-stage approach to measure the allowance for credit losses, using an Expected Credit Loss (ECL) approach as required under IFRS 9 *Financial Instruments*. The Group's allowances for credit losses are outputs of complex models and there is a high degree of measurement uncertainty due to significant judgements inherent in the Group's methodology, such as judgements about forward-looking information. These judgements impact certain inputs, assumptions, qualitative adjustments or overlays, and the determination of when there has been a significant increase in credit risk.

How the matter was addressed in our audit

We performed the following procedures :

- Tested the design and implementation and operating effectiveness of relevant controls over the application, methods, data and assumptions used in the calculations for the allowance of credit losses.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Key Audit Matters (continued)

1. Expected Credit Losses on Loans (continued)

How the matter was addressed in our audit (continued)

We performed the following procedures *(continued)*:

- Tested the Group's controls related to data flows between source systems and the ECL models with the assistance of our Information Technology Audit Specialists. With the assistance of our Financial Risk Management (FRM) Specialist we:

  - Tested model validation and/or performance monitoring controls to ensure key parameters (Probability of Default, Loss Given Default, Exposure at Default and Significant Increase in Credit Risk(SICR) used in the models are appropriate and reasonable.

  - Tested management's control over the selection of macro-economic variables and economic weighting scenarios and assessed the reasonableness of these assumptions.

  - Reviewed, assessed and evaluated limitations of the models used.

  - Assessed the appropriateness of the methodology used to calculate management's qualitative adjustment overlay.

  - Tested the relevant assumptions used in the calculations of the allowance for credit losses.

  - Tested the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis.

  - Performed credit file reviews and assessed application of the SICR criteria to the loan portfolio on a sample basis.

  - Recalculated a sample of ECL calculations for each model.

  - Assessed whether disclosures in the financial statements are adequate in respect of the Group's exposure to credit risk and measurement of allowance for expected credit losses.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Key Audit Matters (continued)

2. Valuation of insurance contract liabilities

See Notes 3(o) and 16 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.

Description of key audit matter

Insurance contract liabilities represent 6% or $1.9 billion of the Group's total liabilities and equity. The measurement of the present value of future cash flows included in the liability for remaining coverage (LRC), all require the use of appropriate assumptions such as mortality or longevity and mortality improvement.

The complexity of the measurement and the methods, assumptions and judgements increase the risk that management's estimate could be materially misstated. Also, we involved actuaries in recomputing the LRC using software tools.

How the matter was addressed in our audit

We performed the following procedures:

- Tested underlying data used in the estimate and agreeing the terms to the data file provided to the Group's actuarial expert.
- Engaged our actuarial specialists to assess the appropriateness of assumptions and methodologies used in estimating the LRC. Additionally, actuaries were involved in recomputing the LRC using audit software tools.
- Assessed whether disclosures in the financial statements are adequate in respect of the Group's exposure to insurance risk and the related balances and activity, in accordance with IFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Bank's annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Other Information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to report the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
Scotiabank Trinidad and Tobago Limited

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Dushyant Sookram.

KPMG

Chartered Accountants
Port of Spain
Trinidad and Tobago

December 19, 2025

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Financial Position

October 31, 2025
(presented in thousands of Trinidad and Tobago dollars)

	Notes	2025 $	Restated* 2024 $	Restated* November 1, 2023 $
ASSETS				
Cash on hand and in transit		172,548	203,404	187,028
Cash at bank	5	779,016	529,828	1,090,429
Treasury bills	6	3,332,176	3,113,181	1,869,820
Deposits with Central Bank	7	2,680,501	2,666,065	3,193,913
Loans to customers	8	20,785,936	20,726,278	18,604,223
Investment securities	9.1	3,756,481	3,453,357	4,088,677
Investment in associated company	9.2	62,485	55,600	48,806
Receivables and other assets	10	78,842	132,303	50,217
Property and equipment	11	311,703	329,590	336,472
Defined benefit pension fund asset	12.1	133,776	115,933	111,147
Insurance and reinsurance contract assets	16	57,891	45,969	39,844
Deferred tax asset	17.1	71,926	64,167	72,345
Goodwill		2,951	2,951	2,951
Total assets		**32,226,232**	**31,438,626**	**29,695,872**

The notes on pages 14 to 104 are an integral part of these consolidated financial statements
**Restated – see note 35*

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Financial Position (continued)

October 31, 2025
(presented in thousands of Trinidad and Tobago dollars)

	Notes	2025 $	Restated* 2024 $	Restated* November 1, 2023 $
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from customers	13	24,314,166	22,959,887	22,028,144
Deposits from banks	14	6,428	855,133	315,547
Deposits from related companies	14	64,404	57,520	6,977
Other liabilities	15	758,644	763,562	744,196
Taxation payable		90,013	81,961	77,771
Insurance contract liabilities	16	1,940,886	1,892,635	1,834,770
Post-employment medical and life benefit obligation	12.2	198,357	196,941	193,044
Deferred tax liability	17.1	31,280	26,734	29,009
Total liabilities		27,404,178	26,834,373	25,229,458
EQUITY				
Stated capital	18	267,563	267,563	267,563
Statutory reserve fund	19	1,024,652	968,286	882,055
Investment revaluation reserve		(17,645)	(9,699)	15,282*
Insurance and reinsurance held finance reserve		40,727	32,133	28,835*
Retained earnings		3,506,757	3,345,970	3,272,679
Total equity		4,822,054	4,604,253	4,466,414
Total liabilities and equity		**32,226,232**	**31,438,626**	**29,695,872**

These consolidated financial statements were approved for issue by the Board of Directors on December 15, 2025 and signed on its behalf by:

Derek Hudson
Chairman

Gayle Pazos
Managing Director

The notes on pages 14 to 104 are an integral part of these consolidated financial statements
**Restated – see note 35*

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2025
(presented in thousands of Trinidad and Tobago dollars, except earnings per share data)

	Notes	2025 $	2024 $
REVENUE			
Interest income calculated using the effective interest method	21	1,740,102	1,588,730
Net finance expense from insurance and reinsurance contracts	3(a)	(59,287)	(56,779)
Interest expense	22	(138,024)	(99,768)
Net interest income		1,542,791	1,432,183
Insurance service revenues		162,153	164,699
Insurance service expense		(32,947)	(38,038)
Net expense from reinsurance contracts		(22,106)	(17,854)
Insurance service result		107,100	108,807
Other income	23	658,042	620,173
Fee and commission expense		(223,030)	(212,896)
Net other income		542,112	516,084
Total revenue		2,084,903	1,948,267
NON-INTEREST EXPENSES			
Salaries and other staff benefits		293,490	269,394
Premises and technology		143,634	143,840
Communication and marketing		118,251	130,809
Other expenses	24	328,835	302,714
Total non-interest expenses		884,210	846,757
Net impairment loss on financial assets	8.6	144,270	100,910
Profit before taxation		1,056,423	1,000,600
Taxation	25.1	360,261	342,106
Profit for the year, attributable to equity holders		696,162	658,494
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefits asset/obligation	12.6	22,450	6,340
Related tax	17.2	(7,695)	(2,732)
		14,755	3,608
Items that are or may be reclassified subsequently to profit or loss			
Remeasurement of insurance and reinsurance		8,594	3,298
Remeasurement of instruments that existed throughout the year		(19,147)	(41,070)
Remeasurement of purchased investments		10,011	15,657
Related tax	17.2	1,190	432
Net movement in fair value reserve		(7,946)	(24,981)
Other comprehensive income, net of tax		15,403	(18,075)
Total comprehensive income, attributable to equity holders		711,565	640,419
Earnings per share (basic and diluted)	26	394.8¢	373.4¢

The notes on pages 14 to 104 are an integral part of these consolidated financial statements.

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Changes in Equity

For the year ended October 31, 2025
(presented in thousands of Trinidad and Tobago dollars)

	Notes	Stated capital	Statutory reserve fund	Investment revaluation reserve	Insurance & reinsurance held finance reserve	Retained earnings	Total equity
		$	$	$	$	$	$
Balance as at November 1, 2023 as previously reported		**267,563**	**882,055**	**(11,861)**	**(-)**	**3,328,657**	**4,466,414**
Reclassification of insurance reserve	35	-	-	27,143	(27,143)	-	-
Transfers relating to IFRS 17 adoption	35	-	-	-	55,978	(55,978)	-
Balance as at November 1, 2023, as restated		**267,563**	**882,055**	**15,282**	**28,835**	**3,272,679**	**4,466,414**
Profit for the year 2024		-	-	-	-	658,494	658,494
Other comprehensive income, net of tax							
Remeasurement of post-employment benefits asset/ obligation	25.3	-	-	-	-	3,608	3,608
Revaluation of insurance and reinsurance	25.3	-	-	-	3,298	-	3,298
Fair value re-measurement of FVOCI debt instruments	25.3	-	-	(24,981)	-	-	(24,981)
Total comprehensive income 2024		-	-	(24,981)	3,298	662,102	640,419
Transaction with equity owners of Scotiabank							
Transfer to statutory reserve	19	-	86,231	-	-	(86,231)	-
Dividends paid	20.2	-	-	-	-	(502,580)	(502,580)
		-	86,231	-	-	(588,811)	(502,580)
Balances as at October 31, 2024		**267,563**	**968,286**	**(9,699)**	**32,133**	**3,345,970**	**4,604,253**
Profit for the year 2025		-	-	-	-	696,162	696,162
Other comprehensive income, net of tax							
Remeasurement of post-employment benefits asset/ obligation	25.3	-	-	-	-	14,755	14,755
Revaluation of insurance and reinsurance	25.3	-	-	-	8,594	-	8,594
Fair value re-measurement of FVOCI debt instruments	25.3	-	-	(7,946)	-	-	(7,946)
Total comprehensive income 2025		-	-	(7,946)	8,594	710,917	711,565
Transaction with equity owners of Scotiabank							
Transfer to statutory reserve	19	-	56,366	-	-	(56,366)	-
Dividends paid	20.2	-	-	-	-	(493,764)	(493,764)
		-	56,366	-	-	(550,130)	(493,764)
Balances as at October 31, 2025		**267,563**	**1,024,652**	**(17,645)**	**40,727**	**3,506,757**	**4,822,054**

The notes on pages 14 to 104 are an integral part of these consolidated financial statements
**Restated – see note 35.*

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

Consolidated Statement of Cash Flows

For the year ended October 31, 2025
(presented in thousands of Trinidad and Tobago dollars)

	Notes	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		696,162	658,494
Adjustments for:			
Interest income		(1,740,102)	(1,588,730)
Interest expense		197,311	156,547
Depreciation	11	34,795	35,445
Share of profit of associated company		(4,932)	(4,869)
Unrealised gain on equity investments		(4,610)	-
Tax expense	25.1	360,261	342,106
Net impairment loss on financial assets	8.6	144,270	100,910
Changes in:			
Primary reserve deposits with Central Bank		43,980	(546,848)
Net pension cost		(17,843)	(4,786)
Insurance contract liabilities		48,251	57,865
Loans to customers		(772,987)	(1,292,540)
Receivables and other assets		34,654	(95,005)
Deposits from customers		1,933,767	915,588
Deposits from banks and related companies		(841,821)	590,129
Other liabilities		(371)	(2,901)
Interest received		1,764,809	1,561,565
Interest paid		(185,607)	(140,392)
Taxation paid		(365,472)	(330,927)
Net cash from operating activities		1,324,515	411,651
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Treasury Bills		(14,037,518)	(1,170,990)
Proceeds from redemption of Treasury Bills		14,800,462	1,760,650
Purchase of investment securities		(938,962)	(4,494,120)
Proceeds from redemption of investment securities		612,285	4,354,692
Purchase of property and equipment	11	(15,277)	(21,914)
Net cash from investing activities		420,990	428,318
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities	27	(11,749)	(19,449)
Dividends paid	20.2	(493,764)	(502,580)
Net cash from financing activities		(505,513)	(522,029)
Net increase in cash and cash equivalents		1,239,992	317,940
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		2,928,088	2,610,148
CASH AND CASH EQUIVALENTS, END OF YEAR		4,168,080	2,928,088
CASH AND CASH EQUIVALENTS REPRESENTED BY			
Cash on hand and in transit		172,548	203,404
Cash at bank	5	779,016	529,828
Surplus deposits with Central Bank	7	857,980	814,000
Treasury bills with original maturity date not exceeding 3 months	6	2,358,536	1,380,856
		4,168,080	2,928,088

The notes on pages 14 to 104 are an integral part of these consolidated financial statements.

1. Incorporation and Business Activities

Scotiabank Trinidad and Tobago Limited ("Scotiabank" or "the Bank") is incorporated in the Republic of Trinidad and Tobago and offers a complete range of banking and financial services as permitted under the Financial Institutions Act, 2008. Scotiabank is domiciled in Trinidad and Tobago and its registered office is 56-58 Richmond Street, Port of Spain.

These consolidated financial statements comprise Scotiabank and its wholly-owned subsidiaries (together referred to as the Group). Scotiabank is a subsidiary of Scotiabank Caribbean Holdings Limited, which is incorporated and domiciled in Barbados. The Group's ultimate parent company is The Bank of Nova Scotia, which is incorporated and domiciled in Canada. The Group has an interest in one associated company.

Scotiabank's wholly-owned subsidiaries and associated companies and their principal activities are detailed below:

Name of Companies	**Country of Incorporation**	**Percentage of equity Held**
Subsidiaries		
ScotiaLife Trinidad and Tobago Limited	Republic of Trinidad and Tobago	100%
Scotia Investments Trinidad and Tobago Limited	Republic of Trinidad and Tobago	100%

ScotiaLife Trinidad and Tobago Limited (ScotiaLife) is registered to conduct ordinary long-term insurance business under the Insurance Act, 2018.

Scotia Investments Trinidad and Tobago Limited's (Scotia Investments) principal activity is the provision of asset management services.

Associated company

InfoLink Services Limited	Republic of Trinidad and Tobago	25%

InfoLink Services Limited offers clearing and switching facilities for the electronic transfer of funds.

1. Incorporation and Business Activities (continued)

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which the Group operates. The supervisory frameworks require the Bank and subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their related part exposure and comply with other ratios. In respect of the entities that are regulated by the Central Bank of Trinidad and Tobago, the carrying amounts of assets are $30.3 billion (2024: $29.7 billion) and liabilities $26.3 billion (2024: $24.1 billion).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on December 15, 2025.

2. Basis of Preparation

(a) Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

(b) Basis of measurement

These consolidated financial statements are prepared on the historical cost basis, modified for the inclusion of:

- financial instruments at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI);
- investments in equity-accounted investees measured using the equity method;
- net defined benefit asset (obligation) recognised at fair value of plan assets, less the present value of the defined benefit obligation, limited as explained in Note 3(i) and Note 12. Actuarial re-measurements are recognized through other comprehensive income (OCI); and
- insurance contract balances measured using the General Measurement Model (GMM) or Variable Fee Approach (VFA) under IFRS 17.

(c) Functional and presentation currency

These consolidated financial statements are presented in Trinidad and Tobago dollars, which is Scotiabank's functional currency, rounded to the nearest thousand.

2. Basis of Preparation (continued)

(d) Basis of consolidation

(i) Subsidiaries

A subsidiary company is an entity controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Transactions eliminated on consolidation

All intra-group transactions and balances are eliminated in preparing these consolidated financial statements.

(iii) Interest in equity-accounted investees

The investments in the associated companies are accounted for by the equity method, representing the Group's cost and share of accumulated gains and losses.

3. Material Accounting Policies

The material accounting policies described below have been applied consistently for all periods presented in the consolidated financial statements.

(a) Revenue recognition

Interest income and expense

Effective interest method

Interest income and expense are recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or the amortised cost of financial liability.

The calculation of the effective interest rate includes transaction costs, fees and points paid or received that are incremental and directly attributable to the acquisition of the financial instrument.

3. Material Accounting Policies (continued)

(b) Revenue recognition (continued)

Interest income and expense (continued)

Amortised cost and gross carrying amount

The 'amortised cost' of a financial instrument is the amount at which the financial asset is measured on initial recognition, minus principal repayments, plus or minus the unamortised premiums, discounts or transaction costs using the effective interest method.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Presentation

Interest income and expense presented in the Statement of profit or loss and other comprehensive income includes:

- interest on financial assets and financial liabilities measured at amortised cost
- interest on debt instruments measured at FVOCI

Interest income and expense on all trading assets and liabilities are considered to be incidental to Scotiabank's trading operations and are presented in net trading income.

Other income

Other income comprises various fees and commissions and trading income that are not incremental and directly attributable to the origination of financial instruments.

Deposit and payment services

Revenue from account servicing fees is recognised over time as the services are provided. Transaction based fees are charged to the customer's account and recognized at the time of the transactions.

Card revenues

Scotiabank offers a full suite of credit cards for retail and commercial customers for their cash management and financing needs. Revenues include cardholder fees, interchange fees and merchant fees. Revenues are mainly transaction based and recognized at the time of card transactions.

3. Material Accounting Policies (continued)

(a) Revenue recognition (continued)

Credit fees

Transaction based credit fees are recognized at the time of the transactions. Loan origination fees are recognized over the term of the loan, unless immaterial.

Insurance revenue

Premiums are recognised on the accruals basis in accordance with the terms of the underlying contracts as outlined in Note 3(o).

Contracts Not Measured Under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e., as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

3. Material Accounting Policies (continued)

(a) Revenue recognition (continued)

Insurance revenue (continued)

Contracts Not Measured Under the PAA (continued)

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, life savings contracts may also provide investment services for generating an investment return for the policyholder, but only if:

- an investment component exists or the policyholder has a right to withdraw an amount (e.g., the policyholder's right to receive a surrender value on cancellation of a contract); and
- the investment component or withdrawal amount is expected to include an investment return; and
- the Group expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

Contracts Measured Under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period.

3. Material Accounting Policies (continued)

(b) Revenue recognition (continued)

Insurance revenue (continued)

Contracts Measured Under the PAA (continued)

The Group allocates the expected premium receipts to each period on the following bases:

- certain property contracts: the expected timing of incurred insurance service expenses; and
- other contracts: the passage of time.

Wealth management services

Revenue from wealth management services include fees earned by the Group on trust and fiduciary activities in which the Group holds or invests assets on behalf of its customers. Revenue is recognised over time as the services are provided.

Other fees and commissions

Other fees and commissions are recognised in income at the point in time the related services are performed.

Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities and includes all fair value changes, interest, dividends and foreign exchange differences.

Net insurance finance cost represents the impact of the time value of money and changes in discount rates on insurance contract liabilities. It includes:

- Interest accretion on insurance liabilities measured under the present value of future cash flows.
- Effect of changes in discount rates applied to insurance contract liabilities.
- Unwinding of discount on incurred claims and other long-term obligations.
- Offsetting investment income on assets backing insurance liabilities, where applicable.

3. Material Accounting Policies (continued)

(b) Foreign currency transactions

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates of exchange ruling at the reporting date. Resulting translation differences and profits and losses from trading activities are included in profit or loss.

Foreign currency differences arising from the translation of equity investments are recognised in OCI if the Group has made that election on initial recognition.

(c) Financial assets and financial liabilities

Financial instruments include cash on hand and in transit, cash at bank, investment securities including treasury bills, loans to customers, deposits from customers, deposits from banks and related companies and insurance contract liabilities. The Group's treatment for recognition, de-recognition, classification and measurement of financial instruments is set out, whilst additional information on specific categories of the Group's financial instruments is disclosed in notes 3(d) and 3(l).

(i) Recognition

The Group recognises loans and advances and deposits on the date that they are originated. All other financial assets and financial liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value (for an item not at FVTPL) plus transaction costs that are directly attributable to its acquisition or issue. For financial assets or financial liabilities measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

(ii) Classification and measurement

The Group classifies its financial assets as fair value through profit or loss (FVTPL); fair value through other comprehensive income (FVOCI) or amortized cost. Management determines the classification of its financial assets at initial recognition. Financial assets include both debt and equity instruments.

Classification of debt instruments is determined based on the business model under which the asset is held and the contractual cash flow characteristics of the instrument.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The Group's business model assessment is based on the following categories:

- Held to collect: The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- Held to collect and for sale: Both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- Other business model: The business model is neither held to collect nor held to collect and for sale.

The Group assesses business models at a portfolio level, considering various factors, including how the performance the portfolio is evaluated and reported, how compensation is determined for portfolio managers and the frequency and volume of sales.

Contractual cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement (i.e., they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

If the contractual features of a financial asset are modified to the extent that the cash flows of are no longer consistent with a basic lending arrangement, the asset is reclassified and measured at FVTPL.

Debt instruments measured at amortised cost

Debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold and collect contractual cash flows that are SPPI.

Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to collect contractual cash flows and to sell financial assets, where the assets' cash flows represent payments of SPPI. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI).

The allowance for credit losses on debt instruments measured at FVOCI does not reduce the carrying amount of the asset, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to impairment loss on financial assets in profit or loss. The accumulated allowance recognised in OCI is recycled to profit or loss upon derecognition of the debt instrument.

Equity instruments measured at FVTPL

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase, with transaction costs recognized immediately in profit or loss as part of other income. Subsequent to initial recognition the changes in fair value are recognized as part of other income in profit or loss.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and undrawn loan commitments, as measured at amortised cost.

Determination of fair value

Fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Group has access at the measurement date.

The Group values instruments carried at fair value using quoted market prices, where available. Unadjusted quoted market prices for identical instruments represent a Level 1 valuation. When quoted market prices are not available, the Group maximizes the use of observable inputs within valuation models.

3. Material Accounting Policies (continued)

(c) Financial assets and financial liabilities (continued)

(ii) Classification and measurement (continued)

Determination of fair value (continued)

When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

Inception gains and losses are only recognized where the valuation is dependent only on observable market data. Otherwise, they are deferred and amortized over the life of the related contract or until the valuation inputs become observable.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, are transferred, or where the Group does not retain control of the financial asset.

On derecognition of a financial asset, the proportional difference between the carrying amount of the asset and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income (OCI) is recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset in the consolidated statement of financial position only when the Group has a current legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions.

3. Material Accounting Policies (continued)

(d) Cash and cash equivalents

Cash comprises cash in hand and in-transit and deposits with banks and related companies that may be accessed on demand. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less when purchased, including treasury bills and other bills eligible for rediscounting with the Central Bank of Trinidad and Tobago. Cash and cash equivalents are measured at amortised cost.

(e) Impairment of financial assets

The Group applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach for the following categories of financial instruments:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

(i) Expected credit loss impairment model

The expected credit loss (ECL) impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial asset, the expected credit loss within 12 months is recorded.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, the expected credit loss is computed based on the probability of default over the remaining life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

3. Material Accounting Policies (continued)

(e) Impairment of financial assets (continued)

(ii) Measurement of expected credit loss

The probability of default (PD), exposure at default (EAD) taking into account expected changes in the exposure after the reporting date, and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

(iii) Forward-looking information

The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information may require significant judgement.

(iv) Macroeconomic factors

In its models, the Group relies on a broad range of forward-looking economic information as inputs, such as: GDP growth, unemployment rates and central-bank interest rates. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the reporting date. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The Group determines its allowance for credit losses using three probability-weighted forward-looking scenarios, based on forecasts generated by Scotiabank Economics (SE). The Group considers both internal and external sources of information and data in order to achieve unbiased projections and forecasts. The forecasts are created using internal and external models which are modified by SE as necessary to formulate a ‘base case’ view of the most probable future direction of relevant economic variables. The process involves the development of two additional economic scenarios and consideration of the relative probabilities of each outcome.

The ‘base case’ represents the most likely outcome and is aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

3. Material Accounting Policies (continued)

(e) Impairment of financial assets (continued)

(v) Assessment of significant increase in credit risk (SICR)

The assessment of significant increase in credit risk considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SICR on retail and non-retail portfolios include macroeconomic outlook, management judgement, delinquency and monitoring, the Bank adopts the rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Retail portfolio – A significant increase in credit risk cannot be assessed at an individual account level. Therefore, the assessment is done at the segment level. Segment migration thresholds exist for each PD model by product, which considers the proportionate change as well as the absolute change in PD. The thresholds used for PD migration are reviewed and assessed at least annually, or when there is a significant change in credit risk management practices.

Non-retail portfolio – Each non-retail exposure has a risk rating scale (IG code) assigned that reflects the probability of default of the borrower. Both borrower-specific and macroeconomic forward-looking information is considered and reflected in the IG rating. Significant increase in credit risk is evaluated based on the migration of the exposures among IG codes.

(vi) Expected life

The Group considers the maximum contractual period over which it is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, extension and rollover options. For certain revolving credit facilities, such as credit cards, the expected life is estimated based on the period over which the Group is exposed to credit risk and how the credit losses are mitigated by management actions.

3. Material Accounting Policies (continued)

(e) Impairment of financial assets (continued)

(vii) Presentation of allowance for credit losses in the consolidated statement of financial position

The allowance for credit losses is presented as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the consolidated statement of financial position because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income; and
- Off-balance sheet credit risks include undrawn lending commitments, letters of credit and letters of guarantee: as a provision in other liabilities.

The Group may modify the contractual terms of loans for either commercial or credit reasons.

For all financial assets modifications of the contractual terms may result in derecognition of the original asset when the changes to the terms of the loans are considered substantial. These terms include interest rate, authorized amount, term, or type of underlying collateral. The original loan is derecognized and the new loan is recognized at its fair value. The difference between the carrying value of the derecognized asset and the fair value of the new asset is recognized in profit or loss.

(viii) Definition of default

The Group considers a financial instrument to be in default if one or more loss events have a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. These include:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganization; and
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Group considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due, unless reasonable and supportable information demonstrates that a more lagging default criterion is appropriate.

3. Material Accounting Policies (continued)

(e) Impairment of financial assets (continued)

(ix) Write-off policy

The Group writes down an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally applied after receipt of any proceeds from the realization of security. Any recoveries of amounts previously written-off are credited against credit losses in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

(f) Property and equipment

(i) Recognition and measurement

Property and equipment are carried at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other cost directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Subsequent cost

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group over a period exceeding one year and its cost can be measured reliably. The cost of the day-to-day servicing of property and equipment is recognised in profit or loss as incurred.

3. Material Accounting Policies (continued)

(f) Property and equipment (continued)

(iii) Depreciation

Depreciation and amortisation are charged on the straight-line and reducing balance bases based on the nature of the asset and the assessment of the pattern in which the asset's future economic benefits are expected to be consumed, over the estimated useful lives of the respective assets at the following rates:

Buildings	40 years
Equipment and furniture	3 to 10 years
Leasehold improvements	over the term of the respective leases or if shorter, the life of the asset.

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

(g) Leases

A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration in accordance with IFRS 16.

(i) As a lessee

The Group initially recognizes a right-of-use ("ROU") asset at cost, which includes direct costs incurred, any lease payments made at or before the commencement date net of lease incentives received, and estimated decommissioning costs.

The ROU asset is subsequently measured at cost less accumulated depreciation using the straight-line method and accumulated impairment losses, if any. In addition, the ROU asset is adjusted for certain re-measurements of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments, discounted using the Group's incremental borrowing rate. The discount rate depends on the term of the lease, the Group's credit risk and the economic environment in which the lease is entered.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group presents ROU assets in "Property and equipment" and lease liabilities in "Other liabilities" in the Consolidated Statement of Financial Position.

3. Material Accounting Policies (continued)

(g) Leases (continued)

(ii) Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Determining lease term

The Group considers the following criteria when determining whether it has an economic incentive that makes it reasonably certain to exercise a lease extension option: key locations for its branch network, locations on which the Group has spent significant capital on renovation work, contribution to profit, value of locations based on current economic environment and the remaining term of existing leases.

(h) Taxation

Income tax expense comprises current tax and the change in deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. Current tax comprises the higher of tax payable calculated on the basis of the expected taxable income for the year, using the tax rate enacted by the reporting date and business levy, green fund levy and any adjustment of tax payable for previous years.

Deferred tax is recognised on temporary differences arising between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference, and it is probably that they not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Material Accounting Policies (continued)

(h) Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Employee benefits

(i) Short-term

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and loans; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Short-term employee benefits are recognised as a liability, net of payments made, and charged as an expense.

(ii) Post-employment benefits

Pension obligations

Scotiabank currently operates a non-contributory defined contribution plan, covering the majority of the Group's employees. The funds of the plan are administered by fund managers appointed by the Trustees of the plan, who are responsible for the fiduciary management of the fund.

The pension plan is generally funded by payments from the Group, taking account of the recommendations of independent qualified actuaries.

The existing defined-benefit pension plan was closed to future pension service accrual as of October 31, 2020. Pension benefits accrued up to October 31, 2020 for the Group's employees will continue to be administered under the defined-benefit pension plan and paid on retirement as per existing policies.

The Group's net pension obligation is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

3. Material Accounting Policies (continued)

(i) Employee benefits (continued)

(ii) Post-employment benefits (continued)

Pension obligations (continued)

The calculation of the defined benefit obligations is performed annually as at the reporting date, by a qualified actuary using the projected unit credit method. The recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan, considering any applicable minimum funding requirements.

Actuarial remeasurements of the net defined benefit liability, including the effect of the asset ceiling (excluding interest), are recognised in OCI. The Group determines the net interest for the period by applying the discount rate used to measure the net defined benefit asset at the beginning of the annual period to the net defined benefit asset for the year considering contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in personnel expenses in profit or loss.

On November 1, 2020, Scotiabank began operating a defined contribution pension plan in which all future pension services will be earned for Scotiabank's employees. This plan is non-contributory but additional voluntary contributions are permitted. The total contributions paid for the year ended October 31, 2025 amounted to $21.1 million (2024: $20.6 million). The projected contributions are expected to be in line with the 2025 amounts.

Scotiabank provides post-employment medical and life assurance benefits for retirees of the Group. The entitlement to this benefit is usually based on the employees remaining in service up to retirement age and completion of a minimum service period. The method of accounting used to recognise the liability is similar to that for the defined benefit plan.

3. Material Accounting Policies (continued)

(j) Acceptances, guarantees and letters of credit

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that occurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

The Group's commitments under acceptances, guarantees and letters of credit are not reflected in these financial statements because they do not meet the criteria for recognition. However, fee and commission income on these facilities are recognised in profit or loss.

(k) Assets under administration and management

Assets that are not beneficially owned by the Group, but are under its administration as at October 31, 2025 totaled $3.2 billion (2024: $3.3 billion).

(l) Deposit liabilities

Deposits from customers are initially measured at fair value and subsequently measured at their amortised cost using the effective interest method.

(m) Dividends

Dividend income on equity investments is recognised when the right to receive income is established. Dividends attributable to equity holders of the Bank that are proposed and declared after the reporting date are disclosed as a note to these consolidated financial statements.

(n) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see Note 3(h)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists for that asset, that asset's recoverable amount is estimated.

The recoverable amount of other assets is the greater of their value in use and their fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. Material Accounting Policies (continued)

(n) Impairment of non-financial assets (continued)

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(o) Insurance contracts – recognition and measurement

Insurance contracts

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is made on a contract-by-contract basis at the contract issue date. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Group also issues certain insurance contracts that are substantially investment-related service contracts where the return on the underlying items is shared with policyholders. Participating contracts meet the definition of insurance contracts with direct participating features if the following three criteria are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

- The Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

Reinsurance contracts

Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance held contracts. The Group does not accept insurance risk from other insurers.

3. Material Accounting Policies (continued)

(o) Insurance contracts – recognition and measurement (continued)

Measurement Models

The Group issues the following types of contracts that are accounted for in accordance with the Standard

Contracts Issued	**Product**	**Product Classification**	**Portfolio**	**Measurement Model**
Whole life insurance contracts	Solace	Insurance contracts	Individual Life	GMM
Universal life insurance contracts	Affirm Elevate	Insurance contracts with direct participation features	Individual Universal Life	VFA
Group creditor level premium	Creditor Life (Non-Revolving level premium)	Insurance contracts	Group Creditor Combined Level	GMM
Group creditor revolving premium	Creditor Life Revolving premium	Insurance contracts	Group Creditor Combined Revolving	PAA
Group creditor single premium	Creditor Life (Non-Revolving single premium)	Insurance contracts	Group Creditor Combined Single	GMM
Group creditor - proportional	Creditor revolving and non-revolving	Reinsurance held contract	Group creditor combined	GMM
Universal life – excess of loss	Affirm	Reinsurance held contract	Individual Universal Life	GMM

Insurance acquisition cash flows

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to the individual contracts in a group. Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and consistent basis, in an unbiased way, using reasonable and supportable information that is available without undue cost or effort.

On initial recognition, the Group measures a group of insurance contracts as the total of:

(a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and
(b) the contractual service margin (CSM).

3. Material Accounting Policies (continued)

(o) Insurance contracts – recognition and measurement (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk under insurance contracts.

Risk adjustment for non-financial risk for insurance and reinsurance contracts combined corresponds to the confidence levels of 78.20% (2024:84.50%)

Contractual service margin - (CSM)

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

Discount rates

The discount curve is developed using the bottom-up approach and updated quarterly. The parameters used to develop the final discount rates represent our long-term expectations and are reviewed at least annually.
The risk-free spot yield curve is internally developed utilising indicative yields and actual trades of Government of Trinidad and Tobago (GORTT) bonds up to 30 years. Most of the market activity is expected to occur at tenors less than or equal to 20 years.

The ultimate risk-free forward rate was developed considering real GDP growth rates and historical inflation rates (as reported by CBTT). In this regard, a real GDP growth rate of 1.4% and a target inflation rate of 3% was used, leading to an ultimate forward rate of 4.4%.

3. Material Accounting Policies (continued)

(o) Insurance contracts – recognition and measurement (continued)

Subsequent measurement

Contracts under the general measurement model

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims.

The liability for remaining coverage (LRC) comprises:

(a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods,

(b) risk adjustment for insurance contracts held; and

(c) any remaining CSM at that date

The liability for incurred claims (LIC) includes:

(a) the fulfilment cash flows for incurred claims and expenses that have not yet been paid, and

(b) claims that have been incurred but not yet reported.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Group's share of the fair value of the underlying items, and
- changes in fulfilment cash flows that relate to future services, except for certain adjustments to the Group's share of the underlying items.
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Fulfilment cash flows

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

Insurance contracts with direct participation features

For direct participating contracts, measured under the VFA, the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee for future services provided under the insurance contracts

3. Material Accounting Policies (continued)

(p) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of associates is included in investments in associates.

(q) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably.

A provision for bank levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold such that the obligatory event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached

(r) New, revised and amended standards and interpretations that became effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year.

There were no pronouncements under IFRS Accounting Standards that resulted in any changes to amounts recognised or disclosed in these financial statements.

(s) New, revised and amended standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after November 1, 2024. The Group has not early-adopted any of them and therefore they have not been applied in preparing these consolidated financial statements. The Group is assessing the potential impact on future financial statements, of the following amendments it considers relevant:

- *Amendments to* IAS 21 *Lack of Exchangeability* for periods beginning on or after January 1, 2025. The amendments provide clarification for situations where market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. The amendments contain no specific requirements for estimating a spot rate.

3. Material Accounting Policies (continued)

(s) New, revised and amended standards and interpretations not yet effective

- IFRS 18 *Presentation and Disclosure in Financial Statements*, is effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 promotes a more consistent structure to the presentation of income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on an entity's main business activities.

  Entities are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of their operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

  IFRS 18 also requires entities to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a 'useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then the entity provides more detailed disclosures about their nature.

  IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, entities will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

  Entities are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

  The Group does not expect the adoption of these new, revised and amended standards to have a significant impact on the consolidated financial statements.

3. Material Accounting Policies (continued)

(t) Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by management to make decisions about resource allocation to each segment and assesses its performance and discrete financial information is available.

4. Use of Judgements and Estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses and contingent assets and contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(a) Judgements

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories based on the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year to amounts reported as at and for the year ended October 31, 2025 is included below:

(i) Allowance for credit losses (ACL)

A number of significant judgements are required in applying the accounting requirements for measuring expected credit losses, such as:

- Determining criteria for significant increases in credit risk;
- Choosing appropriate models and assumptions for the measurement of ACL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ACL; and
- Establishing groups of similar financial assets for the purposes of measuring ACL.

The judgements used in the estimation of the ACL are disclosed at note 29.1.

4. Use of Judgements and Estimates (continued)

(b) Assumptions and estimation uncertainties (continued)

(ii) Determining fair values with significant unobservable inputs

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(c)(ii) and note 30.

(iii) *Measurement* of defined benefit obligations

The key actuarial assumptions which underpin the value of the Group's defined benefit obligations are described in Note 12.10.

(iv) Estimate of future payments and premiums arising from long-term insurance contracts

Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums. The appointed actuary bases these estimates on standard industry and international mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group's own experience. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected mortality improvements.

Estimates are also made as to future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

The main source of uncertainty is that epidemics such as AIDS, and wide-ranging lifestyle changes, such as eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in estimates used to determine the liability for contracts where the Group is exposed to longevity risk.

(presented in thousands of Trinidad and Tobago dollars)

4. Use of Judgements and Estimates (continued)

(b) Assumptions and estimation uncertainties (continued)

(iv) Estimate of future payments and premiums arising from long-term insurance contracts (continued)

The following shows the impact to equity of sensitivity of the liabilities to a change in assumptions:

	2025		2024	
Life, Health and Life Savings	**Gross**	**Net**	**Gross**	**Net**
Mortality (3% increase)	(39)	(38)	(70)	(64)
Mortality (3% decrease)	40	40	72	68
Morbidity (5% increase)	1	(12)	3	22
Morbidity (5% decrease)	(1)	11	(3)	(20)
Expense (10% increase)	(160)	(160)	(33)	(33)
Expense (10% decrease)	158	159	31	32
Lapse (10% increase)	(359)	(402)	(453)	(472)
Lapse (10% decrease)	382	433	513	546

For contracts without fixed terms, it is assumed that the Group will be able to increase mortality risk charges in future years in line with emerging mortality experience.

5. Cash at bank

	2025 $	2024 $
Due from related companies	103,285	89,879
Due from other banks	681,752	455,142
Cheques and other instruments in the course of clearing	(5,932)	(15,137)
	779,105	529,884
Allowance for credit losses	(89)	(56)
	779,016	529,828
Maturity of assets		
Assets with original maturity date less than 3 months	779,016	529,828
Analysis of movement in loss allowance		
Allowance, beginning of year	56	110
Impairment charge/(reversal) for the year (Note 8.6)	33	(54)
Allowance, end of year	89	56

The above balances are expected to be recovered within 12 months from the reporting date.

(presented in thousands of Trinidad and Tobago dollars)

6. Treasury Bills

	2025 $	2024 $
Government of Trinidad and Tobago	912,367	1,634,757
Government of United States of America	2,395,053	1,453,535
Government of Canada	24,756	24,889
	3,332,176	3,113,181
Maturity of assets		
Original maturity date less than 3 months	2,358,536	1,380,856
Original maturity date over 3 months and less than 1 year	973,640	1,732,325
	3,332,176	3,113,181

The above balances are expected to be recovered within 12 months from the reporting date.

7. Deposits with Central Bank

In accordance with the Financial Institutions Act, 2008, Scotiabank is required to hold and maintain, as a non-interest bearing deposit with the Central Bank of Trinidad and Tobago (CBTT), a cash reserve balance equivalent to 10% (2024: 10%) of total prescribed liabilities in the Primary reserve.

	2025 $	2024 $
Primary reserve	1,822,521	1,852,065
Surplus deposits	857,980	814,000
	2,680,501	2,666,065

The above balances are expected to be recovered within 12 months from the reporting date.

(presented in thousands of Trinidad and Tobago dollars)

8. Loans to Customers

	2025 $	2024 $
Loans to customers	21,050,124	20,943,631
Interest receivable	87,197	102,204
Allowance for credit losses (see 8.4, 8.5)	(351,385)	(319,557)
Total loans to customers	20,785,936	20,726,278
Classified as:		
Current assets	5,211,322	6,336,088
Non-current assets	15,574,614	14,390,190
	20,785,936	20,726,278

8.1. Loans to customers

	2025			
	Gross Loans $	Interest Receivable $	ACL $	Carrying Amount $
Commercial loans	6,458,672	26,754	(68,547)	6,416,879
Retail loans	14,591,452	60,443	(282,838)	14,369,057
	21,050,124	87,197	(351,385)	20,785,936

	2024			
	Gross Loans $	Interest Receivable $	ACL $	Carrying Amount $
Commercial loans	6,572,829	32,075	(43,350)	6,561,554
Retail loans	14,370,802	70,129	(276,207)	14,164,724
	20,943,631	102,204	(319,557)	20,726,278

(presented in thousands of Trinidad and Tobago dollars)

8. Loans to Customers

8.2 Concentration of credit

The Group monitors concentrations of credit risk by sector based on the volume of loans granted to retail and commercial customers and based on their industry sector. An analysis of concentrations of credit risk from loans to customers is shown below.

	2025 $	2024 $
Mortgages – residential	9,407,579	8,892,889
Mortgages – commercial	124,286	136,468
Consumer	5,551,455	5,354,918
Energy and petrochemical	1,511,225	1,383,546
Construction and engineering	1,238,886	1,521,100
Distributive trades	1,244,904	1,093,094
Communication and transport	79,468	22,812
Manufacturing and assembly	490,432	367,010
Financial services	27,861	32,720
Business and personal services	1,357,561	2,112,088
Hospitality industry	13,345	24,124
Agriculture	3,122	2,862
	21,050,124	20,943,631

8.3 Impaired loans

Gross impaired loans represent those loans which are classified as Stage 3.

	2025			2024		
	Gross impaired loans $	Allowance for credit $	Net $	Gross impaired loans $	Allowance for credit $	Net $
Loans to customers						
Commercial loans	27,168	(8,599)	18,569	26,977	(9,120)	17,857
Retail loans	368,314	(80,207)	288,107	383,616	(57,318)	326,298
	395,482	(88,806)	306,676	410,593	(66,438)	344,155

(presented in thousands of Trinidad and Tobago dollars)

8. Loans to Customers (continued)

8.4 Allowance for credit losses

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans to customers				
Commercial loans	(21,539)	(38,409)	(8,599)	(68,547)
Retail loans	(104,545)	(98,086)	(80,207)	(282,838)
	(126,084)	(136,495)	(88,806)	(351,385)

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Loans to customers				
Commercial loans	(29,609)	(4,621)	(9,120)	(43,350)
Retail loans	(80,239)	(138,650)	(57,318)	(276,207)
	(109,848)	(143,271)	(66,438)	(319,557)

8.5 Analysis of movement of allowance for credit losses

	2025	**2024**
	$	**$**
Allowance, beginning of year	319,557	319,403
Impairment charge for the year	231,723	163,697
Write-offs	(199,895)	(163,543)
Net increase in allowance for credit losses	31,828	154
Allowance, end of year	351,385	319,557

8.6 Net impairment loss on financial assets

	2025	**2024**
	$	**$**
Impairment charge for the year:		
Loans during the year (Note 8.5)	231,723	163,697
Undrawn credit commitments (Note 15)	2,381	2,325
Cash at bank (Note 5)	33	(54)
Debt investments at FVOCI	304	(1,505)
Recoveries	(90,171)	(63,553)
Total	144,270	100,910

(presented in thousands of Trinidad and Tobago dollars)

9.1 Investment Securities

	2025 $	2024 $
Debt instruments measured at FVOCI:		
Government and state-owned enterprises	3,377,358	3,020,762
Corporate debt securities	265,344	312,332
	3,642,702	3,333,094
Equity instruments designated as FVOCI:		
Unlisted equity securities (Note 9.3)	4,141	4,171
Equity instruments measured at FVTPL:		
Listed equity securities and mutual funds	64,750	61,501
Interest receivable	44,888	54,591
Total investment securities	3,756,481	3,453,357
Allowance for credit loss, end of year	306	2
Classified as:		
Current assets	927,771	328,320
Non-current assets	2,828,710	3,125,037
	3,756,481	3,453,357

The analysis of credit quality of investment securities is disclosed in Note 29.1(iv).

9.2 Investment in Associated Company

The following table summarises the financial information in respect of the Group's associated company as per the unaudited financial statements of Infolink for the year ended September 30, 2024. The table also reconciles the summarised financial information to the carrying amount of the Group's investment in associated company.

	2025 $	2024 $
Infolink		
Total assets	262,014	233,563
Total liabilities	(12,073)	(11,162)
Net assets	249,941	222,401
Group's share of net assets (25%)	62,485	55,600
Revenue	44,640	42,514
Net income	19,726	19,477
Group's share of net income (25%)	4,932	4,869

(presented in thousands of Trinidad and Tobago dollars)

9.3 Equity instruments designated as FVOCI

The following table shows investments in equity securities that are designated at FVOCI. The FVOCI designation was made because the investment is being held for long term strategic purposes.

	Number of units	Fair value at October 31, 2025	Number of units	Fair value at October 31, 2024
		$		$
Investment in Trinidad and Tobago Stock exchange	56,000	4,141	56,000	4,171

During the year ended October 31, 2025, the Group sold no units of equity securities designated as FVOCI (2024: Nil). The change in fair value on these investments was $30,000 for the year ended October 31, 2025 (2024: $398,000). No dividend income was recognised for the years ended October 31, 2025 and 2024.

10. Receivables and other assets

	2025	2024
	$	$
Accounts receivable and prepayments	18,983	87,016
Clearing items in transit	13,310	12,911
Other assets	46,549	32,376
	78,842	132,303

Other assets include value added tax, safety deposits and other intercompany settlements.

Accounts receivable and prepayments is comprised of balances due from the maturities of investments, amounts prepaid for services and other balances receivable from third parties.

(presented in thousands of Trinidad and Tobago dollars)

11. Property and Equipment

2025	Land	Buildings	Leasehold improvements	Equipment & Furniture	Capital Work in Progress	Total
	$	$	$	$	$	$
Cost						
At beginning of year	15,357	329,424	64,917	293,090	13,106	715,894
Additions	-	-	-	7,143	8,134	15,277
Additions of right-of-use assets	-	4,695	-	-	-	4,695
Disposals	-	-	(2,023)	(1,041)	-	(3,064)
At end of year	15,357	334,119	62,894	299,192	21,240	732,802
Accumulated depreciation						
At beginning of year	-	134,958	19,278	232,068	-	386,304
Charge for year	-	14,949	1,417	18,429	-	34,795
At end of year	-	149,907	20,695	250,497	-	421,099
Net book value	15,357	184,212	42,199	48,695	21,240	311,703

As at October 31, 2025, property and equipment includes right-of-use assets with net book value of $93 million (2024: $100 million) related to leased branches and office premises (note 27).

Work in progress comprises several ongoing projects relating to premises and equipment to be used in banking operations, which are expected to be completed in the coming fiscal year.

2024	Land	Buildings	Leasehold improvements	Equipment & Furniture	Capital Work in Progress	Total
	$	$	$	$	$	$
Cost						
At beginning of year	15,357	322,775	64,917	278,537	5,745	687,331
Additions	-	-	-	14,553	7,361	21,914
Remeasurement of right-of-use assets	-	6,649	-	-	-	6,649
At end of year	15,357	329,424	64,917	293,090	13,106	715,894
Accumulated depreciation						
At beginning of year	-	117,873	17,838	215,148	-	350,859
Charge for year	-	17,085	1,440	16,920	-	35,445
At end of year	-	134,958	19,278	232,068	-	386,304
Net book value	15,357	194,466	45,639	61,022	13,106	329,590

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations

The Group maintains a regulated, non-contributory defined-benefit pension plan (the Plan) which entitles a retired employee to receive annual pension payments. Employees may retire at age 63 and are entitled to receive annual payments based on a percentage of their final salary. Employees may retire earlier than age 63 under certain conditions.

The Plan exposes Scotiabank to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk. The Plan is fully funded by the Group, the assets of the Plan being managed separately by the Trustee. The funding requirements are based on the pension fund's actuarial measurement performed by an independent qualified actuary.

The Group does not expect to pay contributions to the Plan from 2021 onwards as the Plan is broadly in balance and the defined benefit component of the Plan was closed to future service accrual from November 1, 2020.

The Group also provides a post-employment medical plan to employees who either retire due to ill-health or retire from the Group and whose age at retirement plus number of years of service rendered is at least 75 years. Pensioners who retire after June 1, 2008 are currently eligible for post-retirement life insurance. The sum assured for those who retired prior to June 1, 2008 is equal to 100% of their salary at retirement up to age 65. After age 65, the sum assured reduces to 50% of their salary at retirement.

12.1 Amounts recognised in the consolidated statement of financial position are as follows:

	Defined Benefit Pension Fund		**Post-Employment Medical and Life Benefits**	
	2025	**2024**	**2025**	**2024**
	$	$	$	$
Defined benefit obligation	(727,892)	(750,594)	(198,357)	(196,941)
Fair value of plan assets	861,668	866,527	-	-
Net asset (liability)	133,776	115,933	(198,357)	(196,941)

12.2 Reconciliation of change in defined benefit obligation:

	Defined Benefit Pension Fund		**Post-Employment Medical and Life Benefits**	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Defined benefit obligation at beginning of year	(750,594)	(771,855)	(196,941)	(193,044)
Current service cost	-	-	(8,905)	(8,613)
Interest cost	(45,687)	(45,188)	(12,047)	(11,347)
Transferred-in DC balances	(193)	(72)	-	-
Experience adjustments	3,536	3,922	1,612	289
Actuarial gains	25,357	27,573	10,241	7,934
Benefits paid	39,689	35,026	7,683	7,840
Defined benefit obligation at end of year	(727,892)	(750,594)	(198,357)	(196,941)

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations (continued)

12.3 Reconciliation of the fair value of plan assets:

	Defined Benefit Pension Fund	
	2025	**2024**
	$	**$**
Plan assets at beginning of year	866,527	883,002
Interest income	52,933	51,857
Loss on plan assets (excluding interest income)	(18,322)	(33,395)
Benefits paid	(39,689)	(35,026)
Transferred-in DC balances	219	89
Plan assets at end of year	861,668	866,527
Interest income	52,933	51,857
Fair value loss on plan assets	(18,322)	(33,395)
Actual return on plan assets	34,611	18,462

The post-employment medical and life benefits are funded by Scotiabank. There are no assets explicitly set aside for this Plan.

12.4 The movement in the asset and liability recognised in the consolidated statement of financial position as at October 31 comprised:

	Defined Benefit Pension Fund		Post-Employment Medical and Life Benefits	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Opening defined benefit asset/(liability)	115,933	111,147	(196,941)	(193,044)
Net retirement benefit credit/(cost)	7,246	6,669	(20,952)	(19,960)
Remeasurement recognised in other comprehensive income	10,597	(1,883)	11,853	8,223
Benefits paid	-	-	7,683	7,840
Closing defined benefit asset (liability)	133,776	115,933	(198,357)	(196,941)

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations (continued)

12.5 The amount recognised in the statement of profit or loss comprised:

	Defined Benefit Pension Fund		Post-Employment Medical and Life Benefits	
	2025	2024	2025	2024
	$	$	$	$
Current service cost	-	-	(8,905)	(8,613)
Net interest on net defined benefit asset/(liability)	7,246	6,669	(12,047)	(11,347)
Administration expenses	-	-	-	-
Net retirement benefit credit/(cost)	7,246	6,669	(20,952)	(19,960)

12.6 The amount recognised in other comprehensive income comprised:

	Remeasurements recognised in Other Comprehensive Income	
	2025	2024
	$	$
Defined benefit pension fund	10,597	(1,883)
Post-employment medical and life benefits	11,853	8,223
	22,450	6,340

12.7 Experience history:

	Post-Employment Medical and Life Benefits	
	2025	2024
	$	$
Defined benefit obligation	(198,357)	(196,941)
Experience adjustment on plan liabilities	11,853	8,223

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations (continued)

12.8 Asset allocation:

	Defined Benefit Pension Fund	
	2025	**2024**
Equity securities	42%	41%
Debt securities	53%	52%
Property	2%	2%
Other	3%	5%
Total	100%	100%

The post-employment medical and life benefits are funded by Scotiabank. There are no assets explicitly set aside for this plan.

12.9 Composition of plan assets:

	2025	**2024**
	$	**$**
Locally listed equities	134,483	146,137
Overseas listed equities	226,236	212,052
TTD denominated bonds	354,035	347,360
USD denominated bonds	103,667	95,741
Property	13,236	17,995
Mortgages	5,791	6,764
Cash and cash equivalents	24,220	40,478
Total	861,668	866,527

All equities have quoted prices in active markets. The fair values of all TTD and USD denominated government bonds and corporate bonds are calculated by discounting expected future proceeds using a constructed yield curve. The majority of the Plan's government bonds were issued by the Government of Trinidad and Tobago, which also guarantees many of the corporate bonds held by the Plan. As at October 31, 2025, the Plan held $27.9 million (2024: $32.6) of the Group's shares and property assets carried at $14.9 million (2024: $19.8 million) were occupied by Scotiabank. There were no asset-liability matching strategies used by the Plan. The Plan leases are non-cancellable over a period of three to five years. The resulting right of use asset and lease liability are $7.8 million (2024: $8.3 million) and $8.7 million (2024: $9.1 million).

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations (continued)

12.10 The principal actuarial assumptions of the Pension Plan and Post-Employment benefits were:

	2025 %	2024 %
Discount rate:		
Active members, current and deferred pensioners	6.50	6.25
Rate of inflation	4.25	4.25
Future salary increases	4.00	4.00
Future pension increases	0.00	0.00

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date are as follows:

	2025	2024
Longevity at age 60 for current pensioners (in years)		
Males	22.0	22.0
Females	26.3	26.2
Longevity at age 60 for current members age 40 (in years)		
Males	22.9	22.8
Females	27.2	27.1

At October 31, 2025, the weighted-average duration of the defined benefit obligation is 16.7 years (2024: 17.0 years).

12.11 Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Effect on Net Defined Benefit Pension Fund Obligation			
	2025		2024	
	Increase $	Decrease $	Increase $	Decrease $
Discount rate (1% movement)	(87,362)	112,130	(95,424)	102,765
Future salary increases (1% movement)	35,543	(30,459)	40,670	(46,067)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at year-end by $12.2 million (2024: $12 million).

(presented in thousands of Trinidad and Tobago dollars)

12. Defined Benefit Pension Fund and Other Post-Employment Benefits Obligations (continued)

12.11 Sensitivity analysis (continued):

	Effect on Post-employment Medical and Life Benefits Obligation			
	2025		2024	
	Increase	Decrease	Increase	Decrease
	$	$	$	$
Discount rate (1% movement)	(27,562)	35,369	(27,814)	27,814
Medical cost increases (1% movement)	34,982	(27,637)	35,286	(35,048)

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at year-end by $6.445 million (2024: $6.4 million). These sensitivities were calculated by re-calculating the defined benefit obligation using the revised assumptions.

13. Deposits from Customers

		2025	2024
		$	$
13.1	Deposit balances	24,271,409	22,931,224
	Interest payable	42,757	28,663
		24,314,166	22,959,887

13.2 Concentration of liabilities

	2025	2024
	$	$
Personal	11,690,173	11,733,638
Commercial	10,925,987	10,311,977
Financial institutions	1,655,249	885,609
	24,271,409	22,931,224

14. Deposits from Banks and Related Companies

	2025	2024
	$	$
Banks	6,428	855,133
Related companies	64,404	57,520
	70,832	912,653

(presented in thousands of Trinidad and Tobago dollars)

15. Other Liabilities

	2025 $	2024 $
Customer loyalty programs	214,459	220,973
Accrued charges and other payables	326,542	358,390
Lease liabilities (Note 27)	104,040	110,508
Other	111,222	71,366
Provision for undrawn credit commitments and others	2,381	2,325
	758,644	763,562

Other liabilities include dormant accounts, unpresented drafts, dividends payable and other clearing items in suspense in the normal course of business. Customer loyalty programs allow customers to accumulate points when using the Bank's products and services. Where points are earned for statement credits, the cost of the loyalty program is presented net of card fees. Where points are redeemed, revenue initially deferred to the loyalty provision is recognized as net card fees. The costs of these rewards for goods and services are recorded in non-interest expenses.

Movement *in ECL allowance for undrawn credit commitments*

	2025 $	2024 $
Allowance at beginning of year	2,325	3,723
Impairment charge for the year (Note 8.6)	56	(1,398)
Allowance at end of year	2,381	2,325

16. Insurance and reinsurance held contracts

	Annuity, Life, Health and Group Creditor	
	2025 $	2024 $
Insurance contract assets	12,599	14,677
Insurance contract liabilities	(1,927,051)	(1,873,389)
Reinsurance held contract assets	45,292	31,292
Reinsurance held contract liabilities	(13,835)	(19,245)
	(1,882,995)	(1,846,665)

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

The following table sets out the carrying amounts of insurance and reinsurance held contracts expected to be recovered/(settled) more than 12 months after the reporting date:

	2025 $	2024 $
Insurance contract assets	12,599	14,677
Insurance contract liabilities	(1,927,051)	(1,873,389)
Reinsurance held contract assets	45,292	31,292
Reinsurance held contract liabilities	(13,835)	(19,245)
	(1,882,995)	(1,846,665)

The following reconciliations show how the net carrying amounts of insurance and reinsurance held contracts in each portfolio changed during the year as a result of cash flows and amounts recognised in the statement of revenue and expenses and OCI.

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(a) Analysis by remaining coverage and incurred claims

Insurance contracts	2025				2024			
	LRC, excluding loss component	Loss component	Liability for incurred claims	Total	LRC excluding loss component	Loss component	Liability for incurred claims	Total
Opening assets	(21,071)	3,614	2,780	(14,677)	(22,809)	3,430	3,103	(16,276)
Opening liabilities	1,878,956	13,846	(19,413)	1,873,389	1,795,570	15,424	9,143	1,820,137
Net opening balance	**1,857,885**	**17,460**	**(16,633)**	**1,858,712**	**1,772,761**	**18,854**	**12,246**	**1,803,861**
Changes in the statement of profit or loss and OCI								
Insurance revenue								
Contracts under the fair value transition approach	(77,777)	-	-	(77,777)	(79,637)	-	-	(79,637)
Other contracts	(60,486)	-	-	(60,486)	(47,158)	-	-	(47,158)
	(138,263)	**-**	**-**	**(138,263)**	**(126,795)**	**-**	**-**	**(126,795)**
Insurance service expenses								
Incurred claims and other insurance service expenses	-	(288)	23,554	23,266	-	(344)	38,157	37,813
Amortization of insurance acquisition cash flows	6,596	-	-	6,596	1,979	-	-	1,979
Losses and reversals of losses on onerous contracts	-	3,473	-	3,473	-	(1,428)	-	(1,428)
Adjustment to liabilities for incurred claims	-	-	262	262	-	-	(703)	(703)
	6,596	**3,185**	**23,816**	**33,597**	**1,979**	**(1,772)**	**37,454**	**37,661**
Investment components and premium refunds	(292,027)	-	292,027	-	(273,177)	-	273,177	-
Insurance service result	**(423,694)**	**3,185**	**315,843**	**(104,666)**	**(397,993)**	**(1,772)**	**310,631**	**(89,134)**
Net finance expenses from insurance contracts	60,519	170	-	60,689	55,688	378	-	56,066
Other comprehensive income	(7,883)	-	-	(7,883)	(3,469)	-	-	(3,469)
Total changes in the statement of Profit and Loss and OCI	**(371,058)**	**3,355**	**315,843**	**(51,860)**	**(345,774)**	**(1,394)**	**310,631**	**(36,537)**
Cash flows								
Premium received	458,847	-	-	458,847	446,939	-	-	446,939
Claims and other insurance service expenses paid including investment components	-	-	(333,785)	(333,785)	-	-	(339,510)	(339,510)
Insurance acquisition cash flows	(17,462)	-	-	(17,462)	(16,041)	-	-	(16,041)
Total cash flows	**441,385**	**-**	**(333,785)**	**107,600**	**430,898**	**-**	**(339,510)**	**91,388**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-
Net closing balance	**1,928,212**	**20,815**	**(34,575)**	**1,914,452**	**1,857,885**	**17,460**	**(16,633)**	**1,858,712**
Closing assets	(19,185)	4,303	2,283	(12,599)	(21,071)	3,614	2,780	(14,677)
Closing liabilities	1,947,397	16,512	(36,858)	1,927,051	1,878,956	13,846	(19,413)	1,873,389
Net closing balance	**1,928,212**	**20,815**	**(34,575)**	**1,914,452**	**1,857,885**	**17,460**	**(16,633)**	**1,858,712**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(a) Analysis by remaining coverage and incurred claims (continued)

Reinsurance held contracts	2025				2024			
	LRC excluding loss component	Loss component	Liability for incurred claims	Total	LRC excluding loss component	Loss component	Liability for incurred claims	Total
Opening assets	22,831	67	8,394	31,292	4,393	81	19,094	23,568
Opening liabilities	913	-	(20,158)	(19,245)	(8,425)	-	(15,997)	(24,422)
Net opening balance	**23,744**	**67**	**(11,764)**	**12,047**	**(4,032)**	**81**	**3,097**	**(854)**
Changes in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	(21,257)	-	-	(21,257)	(18,098)	-	-	(18,098)
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	-	380	3,117	3,497	-	(2)	2,942	2,940
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(328)	-	(328)	-	(12)	-	(12)
Adjustments to assets for incurred claims	-	-	(301)	(301)	-	-	(31)	(31)
	-	**52**	**2,816**	**2,868**	-	(14)	2,911	**2,897**
Effects of changes in non-performance risk of reinsurers	(398)	-	-	(398)	287	-	-	287
Net expenses from reinsurance contracts	(21,655)	52	2,816	(18,787)	(17,811)	(14)	2,911	(14,914)
Net finance income from reinsurance contracts	99	11	-	110	(332)	-	-	(332)
Total changes in the statement of profit or loss and OCI	**(21,556)**	**63**	**2,816**	**(18,677)**	**(18,143)**	**(14)**	**2,911**	**(15,246)**
Cash flows								
Premiums paid	32,249	-	-	32,249	45,919	-	-	45,919
Amounts recovered	-	-	5,838	5,838	-	-	(17,772)	(17,772)
Total cash flows	32,249	-	5,838	38,087	45,919	-	(17,772)	28,147
Net closing balance	**34,437**	**130**	**(3,110)**	**31,457**	**23,744**	**67**	**(11,764)**	**12,047**
Closing assets	20,233	130	24,929	45,292	22,831	67	8,394	31,292
	14,204	-	(28,039)	(13,835)	913	-	(20,158)	(19,245)
Net closing balance	**34,437**	**130**	**(3,110)**	**31,457**	**23,744**	**67**	**(11,764)**	**12,047**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(b) Analysis by measurement component – Contracts not measured under the PAA

Insurance contracts

	2025			
	Estimates of present value of future cash flows	Risk Adjustment for non-financial risk	Contracts under fair value transition approach	Total
Opening assets	(30,729)	6,991	10,731	(13,007)
Opening liabilities	1,656,386	34,505	183,805	1,874,696
Net opening balance	**1,625,657**	**41,496**	**194,536**	**1,861,689**
Changes in the statement of profit or loss and OCI				
Changes that relate to current services				
CSM recognised for services provided	-	-	(37,938)	(37,938)
Change in risk adjustment for non-financial risk for risk expired	-	(9,399)	-	(9,399)
Experience adjustments	(22,359)	-	-	(22,359)
Changes that relate to future services				
Contracts initially recognized in the year	(26,635)	5,561	21,292	218
Changes in estimates that adjust the CSM	(43,060)	4,275	38,785	-
Changes in estimates that result in losses and the reversal of losses on onerous contracts	2,329	242	-	2,571
Changes that relate to past services				
Adjustment to liabilities for incurred claims	275	29	-	304
Insurance service result	**(89,450)**	**708**	**22,139**	**(66,603)**
Net finance expenses from insurance contracts	44,042	2,005	6,759	52,806
Total changes in the statement of profit or loss and OCI	**(45,408)**	**2,713**	**28,898**	**(13,797)**
Cash flows				
Premiums received	411,676	-	-	411,676
Claims and other insurance service expenses paid, including investment components	(328,201)	-	-	(328,201)
Insurance acquisition cash flows	(17,462)	-	-	(17,462)
Total cash flows	**66,013**	**-**	**-**	**66,013**
Net closing balance	**1,646,262**	**44,209**	**223,434**	**1,913,905**
Closing assets	(30,399)	7,004	13,013	(10,382)
Closing liabilities	1,676,661	37,205	210,421	1,924,287
Net closing balance	**1,646,262**	**44,209**	**223,434**	**1,913,905**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(b) Analysis by measurement component – Contracts not measured under the PAA

Insurance contracts

	2024			
	Estimates of present value of future cash flows	Risk Adjustment for non-financial risk	Contracts under fair value transition approach	Total
Opening assets	(30,246)	(29)	14,165	(16,110)
Opening liabilities	1,684,442	42,580	92,477	1,819,499
Net opening balance	**1,654,196**	**42,551**	**106,642**	**1,803,389**
Changes in the statement of profit or loss and OCI				
Changes that relate to current services				
CSM recognised for services provided	-	-	(30,459)	(30,459)
Change in risk adjustment for non-financial risk for risk expired	-	(9,100)	-	(9,100)
Experience adjustments	(6,430)	-	-	(6,430)
Changes that relate to future services				
Contracts initially recognized in the year	(30,517)	6,467	25,032	982
Changes in estimates that adjust the CSM	(71,902)	(18,531)	90,434	1
Changes in estimates that result in losses and the reversal of losses on onerous contracts	(21,093)	18,503	-	(2,590)
Changes that relate to past services				
Adjustment to liabilities for incurred claims	(599)	(60)	-	(659)
Insurance service result	**(130,541)**	**(2,721)**	**85,007**	**(48,255)**
Net finance expenses from insurance contracts	48,044	1,666	2,887	52,597
Total changes in the statement of profit or loss and OCI	**(82,497)**	**(1,055)**	**87,894**	**4,342**
Cash flows				
Premiums received	399,677	-	-	399,677
Claims and other insurance service expenses paid, including investment components	(332,896)	-	-	(332,896)
Insurance acquisition cash flows	(12,823)	-	-	(12,823)
Total cash flows	**53,958**	-	-	**53,958**
Net closing balance	**1,625,657**	**41,496**	**194,536**	**1,861,689**
Closing assets	(30,729)	6,991	10,731	(13,007)
Closing liabilities	1,656,386	34,505	183,805	1,874,696
Net closing balance	**1,625,657**	**41,496**	**194,536**	**1,861,689**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(b) Analysis by measurement component – Contracts not measured under the PAA

Reinsurance held contracts

	2025			
	Estimates of present value of future cash flows	Risk Adjustment for non-financial risk	Contracts under fair value transition approach	Total
Opening assets	(40,079)	7,734	63,637	31,292
Opening liabilities	(33,428)	3,003	11,180	(19,245)
Net opening balance	**(73,507)**	**10,737**	**74,817**	**12,047**
Changes in the statement of profit or loss and OCI				
Changes that relate to current services				
CSM recognised for services provided	-	-	(7,589)	(7,589)
Change in risk adjustment for non-financial risk for risk expired	-	(2,918)	-	(2,918)
Experience adjustments	(7,252)	-	-	(7,252)
Changes that relate to future services				
Contracts initially recognized in the year	(7,488)	1,219	6,381	112
Changes in estimates that adjust the CSM	(10,316)	669	9,645	(2)
Changes in estimates that result in losses and the reversal of losses on onerous contracts	(232)	299	-	67
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(507)	(507)
Changes that relate to past services				
Adjustment to liabilities for incurred claims	(274)	(27)	-	(301)
Effect of changes in non-performance risk of re-insurers	(397)	-	-	(397)
Net expense from reinsurance contracts	**(25,959)**	**(758)**	**7,930**	**(18,787)**
Net finance income from reinsurance held contracts	(2,467)	480	2,097	110
Total changes in the statement of profit or loss and OCI	**(28,426)**	**(278)**	**10,027**	**(18,677)**
Cash flows				
Premiums paid	32,249	-	-	32,249
Amounts recovered	5,838	-	-	5,838
Total cash flows	**38,087**	**-**	**-**	**38,087**
Net closing balance	**(63,846)**	**10,459**	**84,844**	**31,457**
Closing assets	(31,193)	7,482	69,003	45,292
Closing liabilities	(32,653)	2,977	15,841	(13,835)
Net closing balance	**(63,846)**	**10,459**	**84,844**	**31,457**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(b) Analysis by measurement component – Contracts not measured under the PAA

Reinsurance held contracts

	2024			
	Estimates of present value of future cash flows	Risk Adjustment for non-financial risk	Contracts under fair value transition approach	Total
Opening assets	21,309	852	1,407	23,568
Opening liabilities	(43,146)	2,792	15,932	(24,422)
Net opening balance	(21,837)	3,644	17,339	(854)
Changes in the statement of profit or loss and OCI				
Changes that relate to current services				
CSM recognised for services provided	-	-	(5,567)	(5,567)
Change in risk adjustment for non-financial risk for risk expired	-	(2,890)	-	(2,890)
Experience adjustments	(6,700)	-	-	(6,700)
Changes that relate to future services				
Contracts initially recognized in the year	(7,992)	1,208	6,789	5
Changes in estimates that adjust the CSM	(63,397)	8,499	54,898	-
Changes in estimates that result in losses and the reversal of losses on onerous contracts	205	(97)	-	108
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(126)	(126)
Changes that relate to past services				
Adjustment to liabilities for incurred claims	(28)	(3)	-	(31)
Effect of changes in non-performance risk of re-insurers	287	-	-	287
Net expense from reinsurance contracts	**(77,625)**	**6,717**	**55,994**	**(14,914)**
Net finance income from reinsurance held contracts	(2,192)	376	1,484	(332)
Total changes in the statement of profit or loss and OCI	**(79,817)**	**7,093**	**57,478**	**(15,246)**
Cash flows				
Premiums paid	45,919	-	-	45,919
Amounts recovered	(17,772)	-	-	(17,772)
Total cash flows	**28,147**	**-**	**-**	**28,147**
Net closing balance	**(73,507)**	**10,737**	**74,817**	**12,047**
Closing assets	(40,079)	7,734	63,637	31,292
Closing liabilities	(33,428)	3,003	11,180	(19,245)
Net closing balance	**(73,507)**	**10,737**	**74,817**	**12,047**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(c) Analysis by remaining contractual service margins

The following table sets out when the Group expects to recognize the remaining CSM in profit and loss after the reporting date for contracts not measured under PAA.

	1-10 years	
	2025	**2024**
Insurance contracts		
Individual Life, Savings & Wealth	205,084	178,477
Group Creditor GMM	18,350	16,059
	223,434	194,536

(d) Effect of contracts initially recognized in the year

The following tables summarize the effect on the measurement components arising from the initial recognition of insurance and reinsurance held contracts not measured under the PAA in the year.

	2025		
Insurance contracts	**Profitable contracts issued**	**Onerous contracts issued**	**Total**
Insurance acquisition cash flows	(6,800)	(1,097)	(7,897)
Claims and other insurance service expenses payable	(77,784)	(4,605)	(82,389)
Estimates of present value of cash outflows	(84,584)	(5,702)	(90,286)
Estimates of present value of cash inflows	111,197	5,724	116,921
Risk adjustment for non-financial risk	(5,321)	(240)	(5,561)
CSM	(21,292)	-	(21,292)
Losses recognised on initial recognition	-	**(218)**	**(218)**

	2024		
Insurance contracts	**Profitable contracts issued**	**Onerous contracts issued**	**Total**
Insurance acquisition cash flows	7,670	3,743	11,413
Claims and other insurance service expenses payable	92,441	14,953	107,394
Estimates of present value of cash outflows	100,111	18,696	118,807
Estimates of present value of cash inflows	(130,857)	(18,467)	(149,324)
Risk adjustment for non-financial risk	5,713	754	6,467
CSM	25,033	-	25,033
Losses recognised on initial recognition	-	**983**	**983**

(presented in thousands of Trinidad and Tobago dollars)

16. Insurance and reinsurance held contracts (continued)

(d) Effect of contracts initially recognized in the year (continued)

Reinsurance held contracts	2025		
	Contracts initiated without loss recovery component	**Contracts initiated with loss recovery component**	**Total**
Estimates of present value of cash inflows	6,554	5	6,559
Estimates of present value of cash outflows	(14,043)	(4)	(14,047)
Risk adjustment for non-financial risk	1,218	1	1,219
Loss recovery related to losses on underlying insurance contract at initial recognition	-	(112)	(112)
CSM	**(6,271)**	**110**	**(6,381)**

Reinsurance held contracts	2024		
	Contracts initiated without loss recovery component	**Contracts initiated with loss recovery component**	**Total**
Estimates of present value of cash inflows	(6,179)	(24)	(6,203)
Estimates of present value of cash outflows	14,173	22	14,195
Risk adjustment for non-financial risk	(1,205)	(3)	(1,208)
CSM	**6,789**	**(5)**	**6,784**

17. Deferred Taxation

17.1 The net deferred tax asset is attributable to the following items:

	2025 $	2024 $
Deferred tax asset		
Investment securities at FVOCI	5,306	8,416
Allowance for credit losses	81,950	70,080
Post-employment benefits asset/obligation	23,233	28,353
Property and equipment	(38,563)	(40,250)
Receivables and other assets	-	(2,432)
	71,926	64,167
Deferred tax liability		
Shareholders income	(31,280)	(26,734)
Net balance	40,646	37,433

(presented in thousands of Trinidad and Tobago dollars)

17. Deferred Taxation (continued)

17.2 The movement in the net deferred tax asset comprised:

	2025 $	2024 $
Balance at beginning of year	37,433	43,336
Amounts recognised in OCI (Note 25.3)		
Debt securities at FVOCI	1,190	432
Post-employment benefits asset/obligation	(7,695)	(2,732)
Amounts recognised in profit or loss		
Current year's deferred tax charge (Note 25.1)	9,896	(4,894)
Change in estimates related to prior years	(178)	1,291
Balance at end of year	40,646	37,433

18. Stated Capital

	2025 $	2024 $
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
176,343,750 (2024:176,343,750) ordinary shares	267,563	267,563

The Group has one class of ordinary shares. The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group and for residual interest in the assets of the Group.

19. Statutory Reserve Fund

In accordance with the Financial Institutions Act, 2008, Scotiabank and Scotia Investments are each required to transfer annually, no less than 10 percent of their net income after taxation, to a statutory reserve fund until the amount standing to the credit of the statutory reserve fund is not less than its paid-up capital. In addition, this fund is required to be reserved to support deposit liabilities at not less than twenty times its balance as at October 31, 2025.

The balance shown for the statutory reserve fund is as follows:

	2025		
	Scotiabank $	Scotia Investments $	Total $
Balance, beginning of year	962,563	5,723	968,286
Amount transferred	55,000	1,366	56,366
Balance, end of year	1,017,563	7,089	1,024,652

(presented in thousands of Trinidad and Tobago dollars)

19. Statutory Reserve Fund (continued)

The balance shown for the statutory reserve fund is as follows (continued):

	2024		
	Scotiabank	Scotia Investments	Total
	$	$	$
Balance, beginning of year	877,563	4,492	882,055
Amount transferred	85,000	1,231	86,231
Balance, end of year	962,563	5,723	968,286

20. Dividends

20.1 Dividends paid and proposed are analysed as follows:

	2025		2024	
	¢ per share	$	¢ per share	$
Dividends paid				
First interim dividend	70	123,440	75	132,257
Second interim dividend	70	123,440	70	123,441
Third interim dividend	70	123,441	70	123,441
	210	370,321	215	379,139
Dividends proposed				
Final dividend	90	158,709	70	123,441
Total dividends paid and proposed	300	529,030	285	502,580

20.2 *Reconciliation* of dividends paid and proposed to dividends paid during the year:

	2025		2024	
	¢ per share	$	¢ per share	$
Total dividends paid and proposed	300	529,030	285	502,580
Dividends proposed and not paid	(90)	(158,709)	(70)	(123,441)
Dividends paid during the year in respect of prior year	70	123,443	70	123,441
Dividends paid during the year	280	493,764	285	502,580

The final dividend was approved after the reporting date, on December 15, 2025, and are not included in these financial results as at October 31, 2025

(presented in thousands of Trinidad and Tobago dollars)

21. Interest Income Calculated Using the Effective Interest Method

	2025 $	2024 $
Loans to customers	1,425,415	1,386,374
Investment securities:		
FVOCI	314,687	201,730
Amortised cost	-	626
	1,740,102	1,588,730

22. Interest Expense

	2025 $	2024 $
Deposits from customers	132,416	93,667
Interest on lease liabilities (Note 27)	5,281	5,540
Other interest expense	327	561
	138,024	99,768

23. Other Income

	2025 $	2024 $
Deposit and payment services	123,163	114,892
Card revenues	274,164	259,186
Credit fees	25,569	25,341
Wealth management services	10,790	11,114
Trading income and net income from financial instruments at FVTPL	173,753	154,140
Other fees and commissions	50,603	55,500
	658,042	620,173

(presented in thousands of Trinidad and Tobago dollars)

24. Other Expenses

	2025 $	2024 $
Deposit insurance premium	46,343	35,160
Directors' fees	4,552	4,452
Audit fees and expenses	4,871	3,444
Non-audit services	88	280
Green fund levy	8,757	7,331
*Other operating expenses	264,224	252,047
	328,835	302,714

Other operating expenses include amounts relating to technology, card expenses, reward and loan incentive programs and the restatement of operating expenses relating to the Insurance Subsidiary.

25. Taxation

25.1 Taxation charge

	2025 $	2024 $
Current tax	370,157	337,212
Deferred tax: Origination and reversal of temporary differences	(9,896)	4,894
	360,261	342,106

(presented in thousands of Trinidad and Tobago dollars)

25. Taxation (continued)

25.2 Taxation reconciliation

The tax on the operating profit differs from the theoretical amount that would arise using the basic tax rate of the home country of the parent company.

The following is a reconciliation of the application of the effective tax rate with the provision for taxation:

	2025		2024	
	$	%	$	%
Profit before taxation	1,056,423	100	1,000,600	100
Computed tax calculated at the statutory rate of 35% (2024: 35%)	369,748	35	350,210	35
Tax effect of items that are adjusted in determining taxable profit:				
- Effect of different tax rate of life insurance company	(23,300)	(2)	(17,040)	(2)
- Effect of different tax rate of asset management company	(977)	-	(795)	-
- Tax effect of non-deductible costs and non-taxable income	14,790	1	7,875	1
- Change in estimates related to prior years	-	-	1,856	1
Taxation charge and effective tax rate	360,261	34	342,106	35

25.3 Amounts recognised in OCI

	2025			2024		
	Before Tax $	Tax Expense $	Net of Tax $	Before Tax $	Tax Expenses $	Net of Tax $
Revaluation of insurance and reinsurance	8,594	-	8,594	3,298	-	3,298
Fair value re-measurement of debt instruments at FVOCI	(9,136)	1,190	(7,946)	(25,413)	432	(24,981)
Remeasurement of post-employment benefits obligations/ assets	22,450	(7,695)	14,755	6,340	(2,732)	3,608
	13,314	(6,505)	6,809	(19,073)	(2,300)	(21,373)

(presented in thousands of Trinidad and Tobago dollars)

26. Earnings Per Share

The calculation of basic earnings per share is based on:

- Net income for the year attributable to ordinary shareholders of $696 million (2024: $658 million).

- Weighted average number of ordinary shares issued and outstanding during the year which was 176,343,750 (2024: 176,343,750).

27. Leases

The Group leases a number of branches, ATMs and office premises. The length of the leases typically run for a period of three to five years. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

Right-of-use assets relate to branch, ATMs and office premises that are presented within property and equipment.

	2025 $	2024 $
Balance at beginning of year	100,744	108,698
Depreciation charge for the year	(12,409)	(14,554)
Additions	4,695	6,600
Balance at end of year	93,030	100,744

Maturity analysis- contractual undiscounted cash flows

Lease payments under non-cancellable operating leases were payable as follows at the reporting date:

	2025 $	2024 $
Gross finance lease liabilities:		
Less than one year	30,686	23,247
Between one and five years	112,692	121,582
Over 5 years	274	254
Total undiscounted lease payments	143,652	145,083
Future interest	(39,612)	(34,575)
Present value of minimum lease payments	104,040	110,508

(presented in thousands of Trinidad and Tobago dollars)

27. Leases (continued)

	2025 $	2024 $
Amounts recognized in profit or loss		
Interest on lease liabilities	5,281	5,540
Expenses relating to leases of low-value assets	1,011	1,204
Amounts recognised in statement of cash flows		
Balance at start of the year	110,508	117,668
Changes from financing cash flows	(11,749)	(19,499)
Interest expense	5,281	5,540
New lease	-	6,879
	104,040	110,588

28. Commitments and Contingent Liabilities

In the normal course of business, various commitments and contingent liabilities are outstanding (Notes3(j))which are not reflected in these consolidated financial statements. These include commitments to extend credit, which, in the opinion of management, do not represent unusual risk, and no material losses are anticipated as a result of these transactions.

As at October 31, 2025, there were certain legal proceedings against the Group. Based upon legal advice, the Group does not expect the outcome of those actions to have a material effect on the Group's consolidated financial position at that date or profit or loss for the year then ended.

29. Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

(a) Credit risk
(b) Market risk
(c) Liquidity risk
(d) Capital management
(e) Operational risk
(f) Insurance risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

29. Financial Risk Management (continued)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established an Asset and Liability Committee (ALCO), Audit Committee, Credit Committee and Operational Risk Committee, which are responsible for developing and monitoring the Group's risk management policies in their specified areas.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in these functions by the Internal Audit function. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

29.1 Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or investment counterparty to honour its financial or contractual obligations to the Group.

Credit risk is managed through strategies, policies and limits that are approved by the Board of Directors, which routinely reviews the quality of the major portfolios and all the larger credits.

The Group's credit policies and limits are structured to ensure broad diversification across various types of credits. Limits are set for individual borrowers, particular industries and types of lending.

The Group's credit processes include:

- A centralised credit review system that is independent of the customer relationship function;
- Senior management, which considers all major risk exposures; and
- An independent review by the Internal Audit Department.

Relationship managers develop and structure individual proposals at branches and commercial centres. Furthermore, they conduct a full financial review for each customer at least annually, so that the Group remains fully aware of customers' risk profiles.

29 Financial Risk Management (continued)

29.1 Credit risk (continued)

The Credit Risk Management department analyses and adjudicates on commercial and corporate credits over a certain size and exceptions to established credit policies.

Retail credits are normally authorised in branches within established criteria using a credit scoring system. The Credit Risk Management department adjudicates on those retail credits that do not conform to the established criteria. The retail portfolios are reviewed regularly for early signs of possible difficulties.

These credit scoring models are subject to ongoing review to assess their key parameters and to ensure that they are creating the desired business and risk results.

Delinquent accounts are aggressively managed with greater emphasis placed on the larger dollar accounts, given that they represent a larger loss exposure to the Group. A centralized collections unit is also responsible for the monitoring and trending of delinquency by branch, business lines and any other parameters deemed appropriate. Adverse trends, when identified, are analysed and the appropriate corrective action implemented. Maximum delinquency targets are set for each major product line and the collections unit works towards ensuring delinquency levels are below these targets.

Inputs, assumptions and techniques used for estimating impairment is described in Note 3(e).

(i) Collateral held and other credit enhancements, and their financial effects

Collateral

The Group, as part of its credit risk management strategy, takes security in respect of funds advanced to its clients. The Group, through its ALCO and its Credit Risk department, develops and reviews policies related to the categories of security and their valuation that are acceptable to the Group as collateral. The principal collateral types are as follows:

- Mortgages over residential and commercial property
- Charges over business assets such as premises, inventory and accounts receivable
- Charges over debt instruments and equity instruments.

The collateral values are updated annually (including but not limited to professional valuations) with special focus given to individual collateral values when the loan is assessed as impaired.

For each loan, the recorded value of collateral is capped at the nominal amount of the loan that it is held against.

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(i) Collateral held and other credit enhancements, and their financial effects (continued)

Repossessed collateral

The Group enforces its power of sale agreements over various types of collateral as a consequence of failure by borrowers or counterparties to honour their financial obligations to the Group. Once repossessed, the collateral is sold as soon as practicable. The proceeds net of disposal cost are applied to the outstanding debt.

The mortgage loan portfolio of the Group represents 65% (2024: 72%) of the Group's total loans and a large portion of the Group's lending portfolio is comprised of residential mortgages, which are well diversified by borrower. As at October 31, 2025, these loans accounted for $9.4 billion or 45% of the Bank's total loans and acceptances outstanding (2024: $7.8 billion or 39%).

(ii) Exposure to credit risk

The Group's maximum exposure to credit risk before collateral held or credit enhancements is detailed below:

	2025 $	2024 $
Credit risk recognized on the consolidated statement of financial position		
Cash and cash equivalents	172,548	203,404
Cash at bank	779,016	529,828
Treasury bills	3,332,176	3,113,181
Deposits with Central Bank	2,680,501	2,666,065
Loans to customers	20,785,936	20,726,278
Investment securities (excluding equities)		
Debt instruments measured at FVOCI	3,642,702	3,333,094
Other assets	45,575	105,833
	31,438,454	30,677,683

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(ii) Exposure to credit risk (continued)

	2025 $	2024 $
Credit risk not recognized on the consolidated statement of financial position		
Acceptances, guarantees and letters of credit	900,767	891,759
Undrawn credit commitments	3,385,328	3,090,773
	4,286,095	3,982,532
Total credit risk exposure	35,724,549	34,660,215

(iii) Changes to the allowance for credit losses

The following table presents the changes to the allowance for credit losses on loans. Explanation of terms 'Stage 1', 'Stage 2', and 'Stage 3' is included in Note 3(e).

	2025			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Retail loans				
Balance at beginning of the year	80,239	138,650	57,318	276,207
Remeasurement of loss allowance	(53,336)	16,871	237,578	201,113
Newly originated or purchased	38,677	(48)	-	38,629
Derecognition and maturities	(13,930)	(20,527)	-	(34,457)
Transfers to (from):				
Stage 1	74,283	(62,692)	(11,591)	-
Stage 2	(20,967)	59,514	(38,547)	-
Stage 3	(421)	(33,682)	34,103	-
Gross write-offs	-	-	(198,654)	(198,654)
Balance at end of year	104,545	98,086	80,207	282,838

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(iii) Changes to the allowance for credit losses (continued)

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Commercial loans				
Balance at beginning of the year	29,609	4,621	9,120	43,350
Remeasurement of loss allowance	(1,086)	23,182	720	22,816
Newly originated or purchased	11,345	-	-	11,345
Derecognition and maturities	(6,577)	(1,146)	-	(7,723)
Transfers to (from):				
Stage 1	(12,076)	12,076	-	-
Stage 2	324	(324)	-	-
Gross write offs	-	-	(1,241)	(1,241)
Balance at end of the year	21,539	38,409	8,599	68,547

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Retail loans				
Balance at beginning of the year	78,091	139,943	78,159	296,193
Remeasurement of loss allowance	(80,685)	76,220	136,961	132,496
Newly originated or purchased	28,769	-	-	28,769
Derecognition and maturities	(5,447)	(14,751)	-	(20,198)
Transfers to (from):				
Stage 1	73,168	(69,611)	(3,557)	-
Stage 2	(13,430)	30,943	(17,513)	-
Stage 3	(227)	(24,094)	24,321	-
Gross write-offs	-	-	(161,053)	(161,053)
Balance at end of year	80,239	138,650	57,318	276,207

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(iii) Changes to the allowance for credit losses (continued)

	2024			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Commercial loans				
Balance at beginning of the year	7,694	3,229	12,287	23,210
Remeasurement of loss allowance	17,581	4,031	(677)	20,935
Newly originated or purchased	14,999	-	-	14,999
Derecognition and maturities	(11,434)	(1,870)	-	(13,304)
Transfers to (from):				
Stage 1	(596)	596	-	-
Stage 2	1,365	(1,365)	-	-
Gross write offs	-	-	(2,490)	(2,490)
Balance at end of the year	29,609	4,621	9,120	43,350

(iv) Analysis of credit quality

Loans to customers

The following table presents the carrying value of exposures by risk rating:

	2025			
	Stage 1 $	Stage 2 $	Stage 3 $	Total $
Retail loans				
Very low	572,655	1,352	-	574,007
Low	8,644,412	11,416	-	8,655,828
Medium	2,577,790	22,528	-	2,600,318
High	1,348,866	463,164	-	1,812,030
Very high	1,190	474,955	-	476,145
Loans not graded	81,517	23,293	-	104,810
Default	-	-	368,314	368,314
Total	13,226,430	996,708	368,314	14,591,452
Allowance for credit losses	(104,545)	(98,086)	(80,207)	(282,838)
Interest receivable	56,207	4,236	-	60,443
Carrying value	13,178,092	902,858	288,107	14,369,057

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(iv) Analysis of credit quality (continued)

Loans to customers (continued)

	2025			
	Stage 1 **$**	**Stage 2** **$**	**Stage 3** **$**	**Total** **$**
Commercial loans				
Very low	53,603	76,516	-	130,119
Low	2,536,897	103,473	-	2,640,370
Medium	2,743,810	247,158	-	2,990,968
High	-	670,047	-	670,047
Default	-	-	27,168	27,168
Total	5,334,310	1,097,194	27,168	6,458,672
Allowance for credit losses	(21,539)	(38,409)	(8,599)	(68,547)
Interest receivable	22,190	4,564	-	26,754
Carrying value	5,334,961	1,063,349	18,569	6,416,879

	2024			
	Stage 1 **$**	**Stage 2** **$**	**Stage 3** **$**	**Total** **$**
Retail loans				
Very low	78,968	-	-	78,968
Low	8,814,740	12,685	-	8,827,425
Medium	2,542,871	31,074	-	2,573,945
High	1,151,106	427,308	-	1,578,414
Very high	1,938	440,324	-	442,262
Loans not graded	434,771	51,401	-	486,172
Default	-	-	383,616	383,616
Total	13,024,394	962,792	383,616	14,370,802
Allowance for credit losses	(80,239)	(138,650)	(57,318)	(276,207)
Interest receivable	65,302	4,827	-	70,129
Carrying value	13,009,457	828,969	326,298	14,164,724

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(iv) Analysis of credit quality (continued)

Loans to customers (continued)

The following table presents the carrying value of exposures by risk rating (continued):

	2024			
	Stage 1 $	**Stage 2 $**	**Stage 3 $**	**Total $**
Commercial loans				
Very low	-	83,621	-	83,621
Low	3,197,693	104,190	-	3,301,883
Medium	2,990,735	131,543	-	3,122,278
High	-	38,070	-	38,070
Default	-	-	26,977	26,977
Total	6,188,428	357,424	26,977	6,572,829
Allowance for credit losses	(29,609)	(4,621)	(9,120)	(43,350)
Interest receivable	30,324	1,751	-	32,075
Carrying value	6,189,143	354,554	17,857	6,561,554

Probability of default (PD) measures the likelihood that a borrower will default within a one-year time horizon. Each category of PD grades is assigned a PD range as follows:

Category of (PD) grades	**PD Range**
Exceptionally low	0.0000% - 0.0499%
Very low	0.0500% - 0.1999%
Low	0.20000% - 0.9999%
Medium low	1.0000%- 2.9999%
Medium	3.0000%- 9.9999%
High	10.0000%- 19.9999%
Extremely high	20.0000%- 99.9999%
Default	100%

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.1 Credit risk (continued)

(iv) Analysis of credit quality (continued)

Loans to customers (continued)

The following tables show key macroeconomic variables used to calculate the allowance for credit losses. Adjustments to these variables up to the reporting date are incorporated through expert credit judgment. For the base case, optimistic and pessimistic scenarios, the projections are provided for the next 12 months and for the remaining forecast period.

Real GDP growth, y/y % change	Base Case Scenario	Alternative Scenario – Optimistic	Alternative Scenario – Pessimistic	Alternative Scenario – Very Pessimistic
Weight	22%	21%	23%	34%
2025				
2024	3.6 - 3.8	4.2 - 4.5	2.5 - 4.2	0.6 - 4.7

Investment securities and treasury bills

FVOCI debt instruments, loan commitments and financial guarantee contracts are all classified as “very low” credit risk. Total ACL as at October 31 2025 is nil (2024: $nil) See Note 8.6 for allowance for credit losses.

Cash on hand and in transit, cash at bank and deposits with central banks

The Group held cash equivalents and cash at bank of $779 million (2024: $529 million). These are held with reputable financial institutions with no history of default.

29.2 Market risk

Market risk refers to the risk of loss resulting from changes in market prices such as interest rates, foreign exchange, market prices and other price risks.

The Scotiabank Group Asset Liability Committee (ALCO) provides senior management oversight of the various activities that expose the Group to market risk, approves limits for funding and investment activities, and reviews the Group’s interest rate strategies and performance against established limits.

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

The Group measures and controls market risk primarily through the use of risk sensitivity analysis. This method of stress testing provides an indication of the potential size of losses that could arise in extreme conditions. These tests are conducted by the market risk function and the results are reviewed by senior management.

All market risk limits are reviewed at least annually. The key sources of the Group's market risk are as follows:

29.2.1 Currency risk

Currency exposure resides mainly in trading activity where the Group buys and sells currencies in the spot and forward markets to assist customers in meeting their business needs. Trading portfolios are managed with the intent to buy and sell over short periods of time, rather than to hold positions for investment. Explicit limits are established by currency, position and term. There were no changes to the policies and procedures for managing foreign exchange when we compared with last year.

The results of the sensitivity analysis conducted as at October 31 on the possible impact on net profits before tax and on equity, of fluctuations of the US dollar foreign exchange rate relative to the TT dollar, are presented below.

Change in currency rate	**Effect on PBT**		**Effect on equity**	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Increase of 1%	2,168	1,840	1,416	1,196
Decrease of 1%	(2,168)	(1,840)	(1,416)	(1,196)

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

29.2.1 Currency risk (continued)

Concentration of assets and liabilities by currency

Scotiabank has the following material currency positions, shown in TT$ equivalents:

	2025			
	TT $	US $	Other $	Total $
Financial Assets				
Cash on hand an in transit	153,659	14,578	4,311	172,548
Cash at bank	203,969	338,305	236,742	779,016
Treasury bills	913,367	2,394,069	24,740	3,332,176
Deposits with Central Bank	2,680,501	-	-	2,680,501
Loans to customers	18,436,880	2,349,056	-	20,785,936
Investment securities	3,065,208	691,255	18	3,756,481
Insurance and reinsurance contract asset	57,891	-	-	57,891
Other assets	44,163	1,412	-	45,575
Total financial assets	**25,555,638**	**5,788,675**	**265,811**	**31,610,124**
Financial Liabilities				
Deposits from customers	18,162,682	5,892,357	259,127	24,314,166
Deposits from banks and related companies	36,268	34,564	-	70,832
Lease liabilities	104,040	-	-	104,040
Insurance contract liabilities	1,940,886	-	-	1,940,886
Other liabilities	402,587	31,273	3,904	437,764
Total financial liabilities	**20,646,463**	**5,958,194**	**263,031**	**26,867,688**
Net position	**4,909,175**	**(169,519)**	**2,780**	**4,742,436**
Undrawn credit commitments	3,086,351	4,422	-	3,090,773
Financial Guarantee contracts	396,673	436,213	67,881	900,767

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

29.2.1 Currency risk (continued)

Concentration of assets and liabilities by currency (continued)

	2024			
	TT	**US**	**Other**	**Total**
	$	**$**	**$**	**$**
Financial Assets				
Cash on hand and in transit	186,790	13,832	2,782	203,404
Cash at bank	66,116	189,299	274,413	529,828
Treasury bills	1,634,744	1,453,722	24,715	3,113,181
Deposits with Central Bank	2,666,065	-	-	2,666,065
Loans to customers	17,663,956	3,062,322	-	20,726,278
Investment securities	2,826,160	626,929	268	3,453,357
Insurance and reinsurance contract asset	45,969	-	-	45,969
Other assets	104,534	1,299	-	105,833
Total financial assets	**25,194,334**	**5,347,403**	**302,178**	**30,843,915**
Financial Liabilities				
Deposits from customers	17,667,606	4,995,619	296,662	22,959,887
Deposits from banks and related companies	42,519	870,134	-	912,653
Lease liabilities	110,508	-	-	110,508
Insurance contract liabilities	1,892,635	-	-	1,892,635
Other liabilities	408,949	17,211	3,596	429,756
Total financial liabilities	20,122,217	5,882,964	300,258	26,305,439
Net position	**5,072,117**	**(535,561)**	**1,920**	**4,538,476**
Undrawn credit commitments	**3,086,351**	**4,422**	**-**	**3,090,773**
Financial Guarantee contracts	**406,721**	**440,309**	**44,727**	**891,757**

29.2.2 Interest rate risk

Interest rate risk is managed through the matching of funding products with financing services, regular review of structural gaps, which may exist and monitoring market conditions through a centralised treasury operation. The interest rates on a material amount of the Group's assets can be repriced as and when required.

There were no changes to the policies and procedures for managing interest rate risk during the year.

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

29.2.2 Interest rate risk (continued)

The results of the sensitivity analysis conducted as at October 31, on the impact on net profits before tax and on equity as a consequence of a reasonably possible change in interest rates at that date, are presented below:

Sensitivity of projected net interest for variable rate instruments income

	2025			
	100bp parallel decrease	25bp parallel decrease	25bp parallel increase	100bp parallel increase
	$	$	$	$
At October 31	14,393	3,598	(3,624)	(14,497)
Average for the period	11,633	2,908	(2,934)	(11,735)
Maximum for the period	16,559	4,140	(4,164)	(16,657)
Minimum for the period	6,181	1,545	(1,572)	(6,286)

	2024			
	100bp parallel decrease	25bp parallel decrease	25bp parallel increase	100bp parallel increase
	$	$	$	$
At October 31	17,976	4,494	(4,517)	(18,069)
Average for the period	27,425	6,856	(6,876)	(27,505)
Maximum for the period	31,269	7,817	(7,843)	(31,371)
Minimum for the period	17,976	4,494	(4,517)	(18,069)

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

29.2.2 Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities

The following table summarises the carrying amounts of financial assets and financial liabilities, to show the Group's interest rate gap, based on the contractual repricing or maturity dates:

	2025					
	Due on demand	Due in one year	Due in two to five years	Over five years	Non-interest bearing	Total
	$	$	$	$	$	$
Financial Assets						
Cash on hand and in transit	-	-	-	-	172,548	172,548
Cash at bank	227,419	-	-	-	551,597	779,016
Treasury bills	-	3,332,176	-	-	-	3,332,176
Deposits with Central Bank	-	-	-	-	2,680,501	2,680,501
Net loans to customers	30,601	5,143,158	6,982,242	8,592,372	37,563	20,785,936
Investment securities	113,779	858,880	1,453,170	1,330,652	-	3,756,481
Insurance and reinsurance contract asset	-	-	-	-	57,891	57,891
Other assets	-	-	-	-	45,575	45,575
Total financial assets	**371,799**	**9,334,214**	**8,435,412**	**9,923,024**	**3,545,675**	**31,610,124**
Financial Liabilities						
Deposits from customers	13,438,187	3,635,036	254,061	-	6,986,882	24,314,166
Deposits from banks and related companies	6,428	-	-	-	64,404	70,832
Lease liabilities	-	30,686	112,692	274	-	143,652
Insurance contract liabilities	-	166,754	476,513	1,255,660	41,959	1,940,886
Other liabilities	-	-		-	437,764	437,764
Total financial liabilities	13,444,615	3,832,476	843,266	1,255,934	7,531,009	26,907,300
Net Gap	(13,072,816)	5,501,738	7,592,146	8,667,090	(3,985,334)	4,702,824
Cumulative Gap	(13,072,816)	(7,571,078)	21,068	8,688,158	4,702,824	

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.2 Market risk (continued)

29.2.2 Interest rate risk (continued)

Interest sensitivity of financial assets and financial liabilities (continued)

	2024					
	Due on demand	Due in one year	Due in two to five years	Over five years	Non-interest bearing	Total
	$	$	$	$	$	$
Financial Assets						
Cash on hand and in transit	-	-	-	-	203,404	203,404
Cash at bank	77,537	-	-	-	452,291	529,828
Treasury bills	-	3,113,181	-	-	-	3,113,181
Deposits with Central Bank	-	-	-	-	2,666,065	2,666,065
Net loans to customers	46,426	6,202,452	6,473,155	7,917,034	87,211	20,726,278
Investment securities	-	328,320	1,816,996	1,242,368	4,172	3,391,856
Insurance and reinsurance contract asset	-	-	-	-	45,969	45,969
Other assets	-	-	-	-	105,833	105,833
Total financial assets	123,963	9,643,953	8,290,151	9,159,402	3,564,945	30,782,414
Financial Liabilities						
Deposits from customers	14,216,432	1,762,402	986,035	-	5,995,018	22,959,887
Deposits from banks and related companies	13,140	504,818	336,545	-	58,150	912,653
Lease liabilities	-	23,247	121,582	254	-	145,083
Insurance contract liabilities	-	158,345	440,356	1,230,818	63,116	1,892,635
Other liabilities	-	-	-	-	429,756	429,756
Total financial liabilities	14,229,572	2,448,812	1,884,518	1,231,072	6,546,040	26,340,014
Net Gap	(14,105,609)	7,195,141	6,405,633	7,928,330	(2,981,095)	4,442,400
Cumulative Gap	(14,105,609)	(6,910,468)	(504,835)	7,423,495	4,442,400	

29.2.3 Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of equity indices and/or the value of individual equities.

The Group is exposed to an immaterial amount of equity price risk**.**

29.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations in a timely manner at reasonable prices.

The Group through its Treasury function measures and forecasts its cash flow commitments and ensures that sufficient liquidity is available to meet its needs. The ALCO monitors the Group's liquidity management process, policies and strategies.

29. Financial Risk Management (continued)

29.3 Liquidity risk (continued)

The Group maintains diversified sources of funding, sets prudent limits and ensures immediate access to liquid assets, including access to local interbank and institutional markets, and stand-by lines of credit with external parties. The principal sources of funding are capital, core deposits from retail and commercial customers and wholesale deposits raised in the interbank and commercial markets. The Group's extensive branch network provides a strong foundation for diversifying its funding and raising the level of core deposits.

There were no changes to the policies and procedures for managing liquidity risk when compared to last year.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for entities to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of loss. Based on historical trend, there is no expectation that the deposits by the public will be withdrawn or repaid by the Bank within 3 months. These deposits are from a diverse set of clients.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates. Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and central bank balances; government and corporate bonds; treasury bills; and loans.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.3 Liquidity risk (continued)

The table below shows the maturity analysis of financial instruments using discounted cash flows of financial assets and financial liabilities based on their contractual maturity dates as at October 31.

	2025				
	Due on demand $	Up to one year $	Two to five years $	Over five years $	Total $
Financial assets					
Cash on hand and in transit	172,548	-	-	-	172,548
Cash at bank	779,016	-	-	-	779,016
Treasury bills	-	3,332,176	-	-	3,332,176
Deposits with Central Bank	2,680,501	-	-	-	2,680,501
Net loans to customers	68,164	5,143,158	6,982,242	8,592,372	20,785,936
Investment securities (excluding equities)	-	858,880	1,453,170	1,330,652	3,642,702
Insurance and reinsurance contract asset	14,847	12,809	18,396	11,839	57,891
Other assets	45,575	-	-	-	45,575
Total financial assets	**3,760,651**	**9,347,023**	**8,453,808**	**9,934,863**	**31,496,345**
Financial Liabilities					
Deposits from customers	20,425,069	3,635,036	254,061	-	24,314,166
Deposits from banks and related companies	70,832	-	-	-	70,832
Lease liabilities	-	18,877	84,955	208	104,040
Insurance contract liabilities	1,923,613	6,949	3,592	6,732	1,940,886
Other liabilities	437,764	-	-	-	437,764
Total financial liabilities	22,857,278	3,660,862	342,608	6,940	26,867,688
Net Gap	(19,096,627)	5,686,161	8,111,201	9,927,922	4,628,657
Cumulative Gap	(19,096,627)	(13,410,466)	(5,299,265)	4,628,657	

The table below shows the contractual maturities of financial guarantee contracts:

	2025				
	Due on demand $	Up to one year $	Two to five years $	Over five years $	Total $
Undrawn credit commitments	3,385,328	-	-	-	3,385,328
Financial guarantee contracts	-	862,089	38,374	304	900,767

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.3 Liquidity risk (continued)

The table below shows a maturity analysis of the carrying amount of financial assets and financial liabilities, based on their contractual maturity dates as at October 31.

	2024				
	Due on demand $	Up to one year $	Two to five years $	Over five years $	Total $
Financial assets					
Cash on hand and in transit	203,404	-	-	-	203,404
Cash at bank	529,828	-	-	-	529,828
Treasury bills	-	3,113,181	-	-	3,113,181
Deposits with Central Bank	2,666,065	-	-	-	2,666,065
Net loans to customers	133,636	6,202,452	6,473,155	7,917,035	20,726,278
Investment securities (excluding equities)	-	328,320	1,853,697	1,205,668	3,387,685
Insurance and reinsurance contract asset	45,969	-	-	-	45,969
Other assets	105,833	-	-	-	105,833
Total financial assets	**3,684,735**	**9,643,953**	**8,326,852**	**9,122,703**	**30,778,243**
Financial Liabilities					
Deposits from customers	20,211,450	1,762,402	986,035	-	22,959,887
Deposits from banks and related companies	71,290	504,818	336,545	-	912,653
Lease liabilities	-	18,408	83,497	8,603	110,508
Insurance contract liabilities	-	151,611	456,744	1,284,280	1,892,635
Other liabilities	429,756	-	-	-	429,756
Total financial liabilities	20,712,496	2,437,239	1,862,821	1,292,883	26,305,439
Net Gap	(17,027,761)	7,206,714	6,464,031	7,829,820	4,472,804
Cumulative Gap	(17,027,761)	(9,821,047)	(3,357,016)	4,472,804	

The table below shows the contractual maturities of financial guarantee contracts:

	2024				
	Due on demand $	Up to one year $	Two to five years $	Over five years $	Total $
Undrawn credit commitments	3,338,556	-	-	-	3,338,556
Financial guarantee contracts	-	887,162	4,293	304	891,759

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.3 Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on their undiscounted cash flows at October 31. The balances include both principal and interest cash flows over the remaining term to maturity and therefore would differ from the carrying amounts in the Group's consolidated statement of financial position.

	2025					
	Due on demand $	Due in one year $	Due in two to five years $	Over five years $	Total contractual cash flow $	Total carrying value $
Financial Liabilities						
Deposits from customers	20,425,069	3,636,446	254,429	-	24,315,944	24,314,166
Deposits from banks and related companies	70,832	-	-	-	70,832	70,832
Lease liabilities	-	30,686	112,692	274	143,652	104,040
Insurance contract liabilities	-	133,335	404,388	1,957,751	2,495,474	1,940,886
Total liabilities	20,495,901	3,800,467	771,509	1,958,025	27,025,902	26,429,924

	2024					
	Due on demand $	Due in one year $	Due in two to five years $	Over five years $	Total contractual cash flow $	Total carrying value $
Financial Liabilities						
Deposits from customers	19,374,952	2,529,272	129,283	486	22,033,993	22,959,887
Deposits from banks and related companies	322,524	-	-	-	322,524	912,653
Lease liabilities	-	18,825	69,607	55,064	143,496	110,508
Insurance contract liabilities	-	158,172	495,363	1,800,283	2,453,818	1,892,635
Total liabilities	19,697,476	2,706,269	694,253	1,855,833	24,953,831	25,875,683

(presented in thousands of Trinidad and Tobago dollars)

29. Financial Risk Management (continued)

29.4 Capital management

The Group's capital management policies seek to achieve several objectives:

- Compliance with capital requirements as set by the Central Bank of Trinidad and Tobago;
- Assurance of the Group's ability to continue as a going concern;
- Maintenance of a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management. The Group employs techniques derived from the guidelines developed by the Basel Committee on Banking Supervision as implemented by the Central Bank of Trinidad and Tobago (CBTT). The required information is filed with the regulatory authority on a monthly basis.

The Group's regulatory capital consists of the following elements:

- *Tier 1 capital* comprises shareholders' equity, including retained earnings and is a measure of the Group's financial position.

- *Tier 2 capital* comprises revaluation reserves created by the revaluation of investments.

The following table summarises the regulatory qualifying capital ratios of the applicable individual entities within the Group. The Group complied with all the externally imposed capital requirements to which it is subject.

	Qualifying capital ratios	2025	2024
Scotiabank Trinidad and Tobago Limited	10%	18.43%	17.18%
Scotiabank Investments Trinidad and Tobago Limited	10%	77.69%	81.29%

29. Financial Risk Management (continued)

29.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Operational Risk Committee. The Group has overall standards for the management of operational risk in the following areas:

- Appropriate segregation of duties, including the independent authorisation of transactions
- Compliance with regulatory and other legal requirements
- Periodic assessment and monitoring of operational risks, the adequacy of controls and procedures to address the risks identified
- Reporting of operational losses and proposed remedial actions
- Training and professional development, including ethical and business standards
- Development of contingency plans and risk mitigation, including insurance where this is effective

Compliance with Group standards is supported by a programme of periodic review undertaken by Internal Audit, reporting to management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

29.6 Management of insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the policyholder benefits and other liabilities estimated by management. This may occur in the event the frequency or severity of claims and benefits is greater than that estimated.

The Group pledges assets in excess of its policyholders' liabilities to the Statutory Fund at the Central Bank of Trinidad & Tobago to mitigate the risk associated with the possibility of insufficient funds to cover policyholder benefits.

(presented in thousands of Trinidad and Tobago dollars)

30. Fair Value of Financial Assets, Financial Liabilities and Other Contracts

The fair value of financial instruments are based on the valuation methods and assumptions set out in the material accounting policies Note 3(c)(ii).

(a) Valuation models

The Group classifies fair value using a three-level fair value hierarchy (Levels 1, 2 or 3) based on the extent to which one or more significant inputs are observable or not observable [see note (c)(ii)].

Valuation techniques include discounted cash flow models and comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The Group recognises transfers between levels of the fair value hierarchy prospectively. There were no transfers between levels during the year.

(b) Financial instruments measured at fair value – Fair value Hierarchy

The table below is an analysis of financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial Assets				
Treasury bills	2,394,053	938,123	-	3,332,176
Investment securities	582,192	3,174,289	-	3,756,481
	2,976,245	4,112,412	-	7,088,657

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial Assets				
Treasury bills	-	3,113,181	-	3,113,181
Investment securities	369,666	3,083,691	-	3,453,357
	369,666	6,196,872	-	6,566,538

The fair value of level 2 instruments was determined using a pricing formula and discounted cash flow analysis, using a discount rate applicable to securities with similar credit, maturity and yield.

(presented in thousands of Trinidad and Tobago dollars)

30. Fair Value of Financial Assets, Financial Liabilities and Other Contracts (continued)

(c) *Financial instruments not measured at fair value*

The table below is an analysis of financial instruments *not* measured at fair value at the reporting date. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2025				
	Level 1	Level 2	Level 3	Total Fair Value	Carrying Amount
	$	$	$	$	$
Financial Assets					
Loans to customers	-	-	19,981,510	19,981,510	20,785,936
Financial Liabilities					
Deposits from customers	-	-	24,314,166	24,314,166	24,314,166
Lease liabilities	-	-	104,040	104,040	104,040
Insurance contract liabilities	-	-	1,940,886	1,940,886	1,940,886
	-	-	26,359,092	26,359,092	26,359,092

	2024				
	Level 1	Level 2	Level 3	Total Fair Value	Carrying Amount
	$	$	$	$	$
Financial Assets					
Loans to customers	-	-	18,839,702	18,839,702	20,726,278
Financial Liabilities					
Deposits from customers	-	-	22,959,887	22,959,887	22,959,887
Lease liabilities	-	-	110,508	110,508	110,508
Insurance contract liabilities	-	-	1,892,635	1,892,635	1,892,635
	-	-	24,963,030	24,963,030	24,963,030

30. Fair Value of Financial Assets, Financial Liabilities and Other Contracts (continued)

(c) Financial instruments not measured at fair value (continued)

(a) Cash on hand and in transit

These amounts are short-term in nature and are taken to be equivalent to fair value.

(b) Cash at bank

Amounts held at banks and related companies are negotiated at contractual interest rates for relatively short tenures and are assumed to have discounted cash flow values that approximate the carrying values.

(c) Deposits with Central Bank

The fair value of deposits with Central Bank is determined to approximate to their carrying value using discounted cash flow analysis. The deposits are predominantly payable on demand.

(d) Loans to customers

Loans and advances to customers are granted at market rates and their values are not adversely affected by unusual terms. The estimated future cash flows are discounted using a discount rate based on market rates at the reporting date for similar type facilities.

(e) Debt instruments measured at amortised cost

The fair value of investment securities at amortised cost was determined using discounted cash flow analysis. The estimated future cash flows are discounted using a discount rate based on quoted market prices for securities with similar credit, maturity and yield characteristics.

(f) Deposits from customers, banks and related companies

These deposits are negotiated at market rates for relatively short terms. The estimated fair values of deposit liabilities are assumed to be equal to their carrying values, since the rates of interest that they bear are not materially different from current market rates.

(presented in thousands of Trinidad and Tobago dollars)

30. Fair Value of Financial Assets, Financial Liabilities and Other Contracts (continued)

(c) Financial instruments not measured at fair value (continued)

(g) Insurance contract liabilities

Insurance contract liabilities are measured based on actuarial projections and assumptions based on a number of factors including, but not limited to, mortality and morbidity tables, lapse studies, company experience, market trends and interest rate assumptions.

(h) Lease liabilities

The fair value is approximate to the carrying value, which is determined using discounted cash flow analysis. The present value of the future lease payments is discounted using the incremental borrowing rate.

31. Classification of Financial Assets and Financial Liabilities

The following table provides a reconciliation between line items in the statement of financial position and the categories of financial instruments:

	2025				
	FVTPL	FVOCI Debt	FVOCI Equity	Amortised Cost	Total
Financial Assets					
Cash and cash equivalents	-	-	-	172,548	172,548
Cash at bank	-	-	-	779,016	779,016
Treasury bills	-	3,332,176	-	-	3,332,176
Deposits with Central Bank	-	-	-	2,680,501	2,680,501
Loans to customers	-	-	-	20,785,936	20,785,936
Investment securities	64,750	3,642,702	4,141	44,888	3,756,481
Total financial assets	64,750	6,974,878	4,141	24,462,889	31,506,658
Financial Liabilities					
Deposits from customers	-	-	-	24,314,166	24,314,166
Deposits from banks and related companies	-	-	-	70,832	70,832
Lease liabilities	-	-	-	104,040	104,040
Insurance contract liabilities	1,940,886	-	-	-	1,940,886
Total financial liabilities	1,940,886	-	-	24,489,038	26,429,924

(presented in thousands of Trinidad and Tobago dollars)

31. Classification of Financial Assets and Financial Liabilities (continued)

	2024				
	FVTPL	FVOCI Debt	FVOCI Equity	Amortised Cost	Total
Financial Assets					
Cash and cash equivalents	-	-	-	203,404	203,404
Cash at bank	-	-	-	529,828	529,828
Treasury bills	-	3,113,181	-	-	3,113,181
Deposits with Central Bank	-	-	-	2,666,065	2,666,065
Loans to customers	-	-	-	20,726,278	20,726,278
Investment securities	61,501	3,333,094	4,171	54,591	3,453,357
	61,501	6,446,275	4,171	24,180,166	30,692,113
Financial Liabilities					
Deposits from customers	-	-	-	22,959,887	22,959,887
Deposits from banks and related companies	-	-	-	912,653	912,653
Lease liabilities	-	-	-	117,668	117,668
Insurance contract liabilities	1,892,635	-	-	-	1,892,635
Total financial liabilities	1,892,635	-	-	23,990,208	25,882,843

32. Related Party Balances and Transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence over, or be controlled or significantly influenced by the other party, or both parties are subject to common control or significant influence.

A number of banking transactions are entered into with related parties, in the normal course of business. These include loans, deposits, investment management services and foreign currency transactions.

Related party transactions comprise management and various technical and non-technical services including:

- Dividends to shareholders
- Data processing and information technology support
- Operations support
- Transaction processing support
- Delinquent account collection services.

The above related party transactions are recorded in operating expenses and amounted to $173.4 million (2024: 166.1 million).

(presented in thousands of Trinidad and Tobago dollars)

32. Related Party Balances and Transactions (continued)

	2025 $	2024 $
(i) Outstanding balances		
Loans, investments and other assets		
Directors, key management personnel and close family members	55,536	60,750
Parent company	102,362	85,185
Other related entities – fellow subsidiaries	213,774	164,620
	371,672	310,555
Deposits and other liabilities		
Directors, key management personnel and close family members	17,054	9,984
Other related entities – fellow subsidiaries	64,404	927,854
	81,458	937,838

Related party balances are unsecured, interest at market rate and due for settlement twelve months after the reporting date.

	2025 $	2024 $
(ii) Transactions		
Interest and other income		
Directors, key management personnel and close family members	4,555	754
Other related entities – fellow subsidiaries	29,107	30,996
	33,662	31,750
Interest and expenses		
Directors, key management personnel and close family members	4,743	4,452
Parent company	85,672	70,479
Other related entities– fellow subsidiaries	166,979	152,033
	257,394	226,964

(iii) Key management compensation

Key management comprises individuals responsible for planning, directing and controlling the activities of Scotiabank. The compensation paid to said individuals is as follows:

	2025 $	2024 $
Short-term benefits and pension cost	40,566	48,898

(presented in thousands of Trinidad and Tobago dollars)

33. Operating Segments

The operations of the Group are concentrated within the Republic of Trinidad and Tobago. The Group's operations are managed by strategic business units which offer different financial products and services to various market segments. The management of the various business units review internal reports at least monthly, whilst the Group management do so at least quarterly.

The following summary describes the operations of each of the Group's reportable segments:

- Retail, Corporate and Commercial – Includes the provision of loans, deposits, trade financing and other financial services to businesses and individuals.
- Asset management, which includes provision of assets management services.
- Insurance services provided by the Group's Insurance subsidiary
- Other – Includes the functions of a centralised treasury unit and other centralised services.

The results of the Group's operating segments are set out below.

	2025			
	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Total
Interest income	1,596,065	1,118	142,919	1,740,102
Interest expense	(138,024)	-	(59,287)	(197,311)
Net other income	425,463	29,103	82,614	537,180
Income from associated companies	4,932	-	-	4,932
Total revenue	1,888,436	30,221	166,246	2,084,903
Material non-cash items:				
Depreciation	34,795	-	-	34,795
Segment profit before taxes	881,709	19,544	155,170	1,056,423
Segment assets	29,235,122	51,705	2,939,405	32,226,232
Segment liabilities	25,359,151	5,833	2,039,194	27,404,178

(presented in thousands of Trinidad and Tobago dollars)

33. Operating Segments (continued)

	2024			
	Retail Corporate & Commercial Banking	Asset Management	Insurance Services	Total
Interest income	1,469,342	665	118,723	1,588,730
Interest expense	(99,608)	-	(56,939)	(156,547)
Net other income	396,577	28,321	86,317	511,215
Income from associated companies	4,869	-	-	4,869
Total revenue	1,771,180	28,986	148,101	1,948,267
Material non-cash items:				
Depreciation	35,445	-	-	35,445
Segment profit before taxes	838,914	17,710	143,976	1,000,600
Segment assets	28,579,659	48,314	2,810,653	31,438,626
Segment liabilities	24,854,902	6,070	1,973,401	26,834,373

34. Climate Related Risks

Climate change presents immediate and long-term risks to the Group and its clients with the risks expected to increase over time. Climate change risk refers to the risk of loss arising from climate change and is comprised of both physical risk and transition risk.

Physical risk considers how chronic and acute climate change, for example, increased storms and floods can directly damage physical assets or otherwise impact their value or productivity.

Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets. Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Group's facilities.

The Group currently identifies climate change risk as an emerging risk within its enterprise risk management framework. Emerging risks are risks or thematic issues that are either new to the landscape, or in the case of climate risk, existing risks that are rapidly changing or evolving in an escalating fashion, which are difficult to assess due to limited data or other uncertainties.

(presented in thousands of Trinidad and Tobago dollars)

34. Climate Related Risks (continued)

The Group has made progress in developing a comprehensive environmental and social policy geared at enhancing and complementing our existing lending policies, guidelines and business practices to better manage sustainability challenges and promote responsible growth across our core business line.

While there is no formal climate related policy in place, there are mitigants in place for climate related events such as insurance for its physical assets as well as assets held as collateral for loan facilities. There is also a Business Continuity Plan (BCP) in place to ensure that the Group can operate in situations where climate related disruptions to business may occur.

35. Restatement – Transfers related to IFRS 17 adoption

In applying the fair value approach on the initial application of IFRS 17 – Insurance Contracts, Appendix C, paragraph 24 of the standard, the entity chose to disaggregate insurance finance income or expenses (IFIE) between profit or loss and other comprehensive income and was permitted to determine the cumulative amount of IFIE recognised in other comprehensive income at the transition date as nil. During the year ended October 31, 2025, the Group identified an accounting error relating to the disaggregation of IFIE between profit or loss and other comprehensive income at transition, where incorrect amounts were taken to AOCI that should have been taken to retained earnings. In addition to this, the Group has included a distinct caption for the Insurance and Reinsurance Held Finance Reserve which represents a reclassification of the reserve amount from the Investment Revaluation Reserve caption.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Group has retrospectively corrected these errors by restating the balance of Retained Earnings as at November 1, 2023. The corrections have no impact on total equity but affect the presentation between equity components. The restatement has been reflected in the Statement of Changes in Equity (SOCE) and a third Statement of Financial Position to comply with the disclosure requirements of IAS 1 – Presentation of Financial Statements. There is no cash flow impact.

The impact of the restatement as at November 1, 2023, in the SOCE is as follows:

Increase in investment revaluation reserve	27,143
Decrease in insurance and reinsurance held finance reserve	(27,143)
Increase in insurance and reinsurance held finance reserve	55,978
Decrease in retained earnings	(55,978)

(presented in thousands of Trinidad and Tobago dollars)

35. Restatement – Transfers related to IFRS 17 adoption (continued)

The impact of the restatement as at November 1, 2023, in the statement of financial position is as follows:

EQUITY

	As previously stated	Restatement	As restated
Stated capital	267,563	-	267,563
Statutory reserve fund	882,055	-	882,055
Investment revaluation reserve	(11,861)	27,143	15,282
Insurance and reinsurance held finance reserve		28,835	28,835
Retained earnings	3,328,657	(55,978)	3,272,679
Total equity	4,466,414	-	4,466,414