

Media Release

For the Quarter ended 31 January, 2022

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Scotiabank Reports First Quarter Results

FIRST QUARTER HIGHLIGHTS

	THREE MONTHS ENDED 31 JANUARY 2022	THREE MONTHS ENDED 31 JANUARY 2021
Income after Taxation	\$185 million	\$146 million
Dividends per share	65.0c	60.0c
Earnings per share	105.2c	82.8c
Return on equity	17.27%	13.90%
Return on assets	2.68%	2.11%
Productivity Ratio	36.5%	45.3%

Scotiabank Trinidad and Tobago Limited (The Group) realised Income after Tax of \$185 million for the quarter ended 31 January 2022, an increase of \$39 million or 27% over the quarter ended 31 January 2021. This increase was due to a recovery in core banking revenue combined with lower non-interest expenses as we continue to implement our cost control strategies. Scotiabank continues to demonstrate its financial strength with increased Return on Equity of 17.27%, up from 13.90% and increased Return on Assets of 2.68%, up from 2.11% in the same period last year. Earnings per share increased to 105.2c from 82.8c.

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

"We delivered strong first quarter results, reflecting our continued resilience in today's dynamic world. In Q1/22, total revenues returned to pre-pandemic levels and we achieved an over 10% reduction in our non-interest expense. Q1/22 saw recovery in our core business, with Loans to Customer growing by \$560 million and

Deposits from Customers increasing by \$493 million over the prior quarter. The Group continues to exercise prudent risk management, with the ratio of non-accrual loans to total loans improving to 1.90% from 2.35% in 2021.

We remain committed to our operations within Trinidad and Tobago, noting our significant and ongoing investment in our digital capabilities, which position us to provide safe, convenient banking optionality for our customers. Additionally, our focus on increasing shareholder value, coupled with assisting our communities are testament to our commitment.

We have achieved improved net promoter scores signalling better advocacy from customers for

Scotiabank as Bank of Choice. We will continue to listen to our customers and make meaningful changes to continually improve customer experience. We thank our customers for all the support that they have given us during these challenging and changing times.

“ We are cautiously optimistic on the outlook for 2022 and beyond given the progress made by the country over the last few months. ”

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We are committed to our Environmental, Social and Governance (ESG) mandate and are proud to have been recently recognised by the Sustainability, Environmental Achievement and Leadership (SEAL) awards for our environmentally responsible Paperless Initiative.

We are cautiously optimistic on the outlook for 2022 and beyond, given the progress made by the country over the last few months. In closing, we would like to thank our staff, shareholders and customers for all the support that you have given to us as we seek to improve our customer experience and build a sustainable business for the future.”

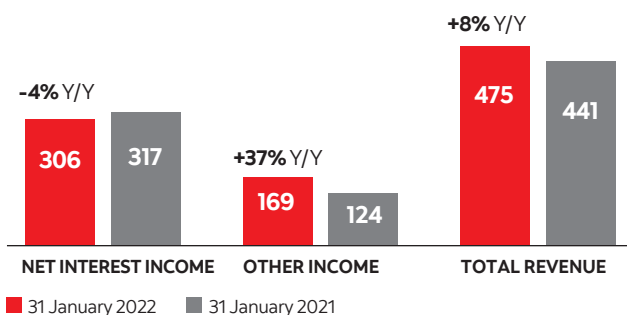
GROUP FINANCIAL PERFORMANCE

Revenue

Total Revenue, comprising of Net Interest Income and Other Income, was \$475 million for the period ended 31 January 2022, an increase of \$34 million or 8% over the prior period in 2021. Net Interest Income for the period was \$306 million, \$12 million or 4% lower when compared to 2021, driven mainly by interest rate compression as a result of the continued low interest rate environment, offset partially by an increase in our loan portfolio.

Other Income for the same period was \$169 million, \$45 million or 37% more than the prior year as a result of recovery in core banking revenues.

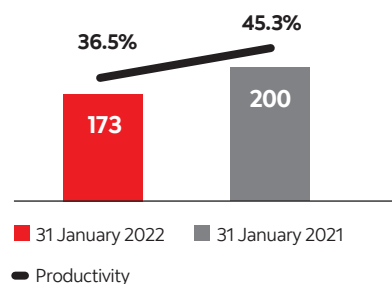
REVENUE (TT\$MM)



Non-interest expenses and operating efficiency

In the context of continued economic challenges, managing the efficiency of our operations remains a strategic priority. We continue to focus on utilising our digital platform to enhance customer experience and control our operating expenditure profile. This continued focus has resulted in an operating efficiency ratio of 36.5% as at January 2022, improving from 45.3% in 2021.

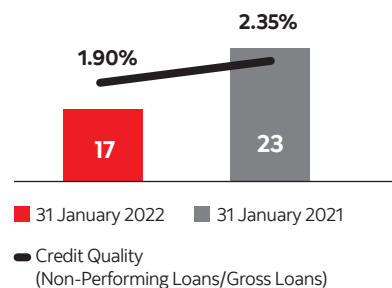
NON-INTEREST EXPENSES AND PRODUCTIVITY



Credit quality

Net impairment losses on financial assets for the period ending 31 January 2022 was \$17 million, a decrease of \$6 million compared to the prior year. During the quarter, we have seen improvement in delinquency trends as the economy has gradually reopened, leading to a reduction in expected retail credit losses in 2022. Our credit quality continues to show improvement as demonstrated by the ratio of non-performing loans as a percentage of gross loans, improving from 2.35% in 2021 to 1.90% in 2022.

EXPECTED CREDIT LOSSES AND CREDIT QUALITY



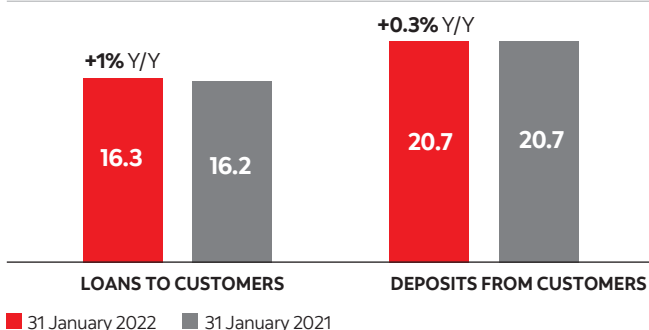
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Balance sheet

Total Assets were \$27.7 billion as at 31 January 2022, increasing by \$307 million or 1% when compared to 31 January 2021. Loans to Customers, the Bank's largest and interest earning asset, closed the year at \$16.3 billion, reflecting an increase of \$98 million or 1% compared to 2021. We continue to see recovery in economic activity as well as consumer demand and remain cautiously optimistic about the future prospects.

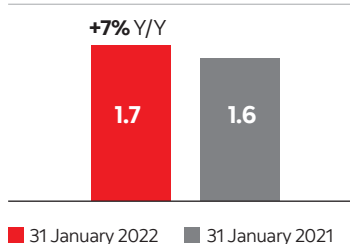
LOANS AND DEPOSITS (TT\$BN)



Investment securities and Treasury Bills stood at \$7.2 billion as at 31 January 2022, an increase of \$1.3 billion compared to the prior year. We continue to maintain a stringent liquidity policy, deploying surplus liquidity into interest earning securities to supplement lower loan interest income driven by interest rate compression.

As at 31 January 2022, Total Liabilities increased by \$193 million to \$23.4 billion or 1% compared to the prior year. This increase was due to an increase in Deposits from Customers of \$61 million or 0.3% to \$20.7 billion, and an increase in Policyholder Funds of \$117 million or 7%.

POLICYHOLDERS' FUND (TT\$BN)

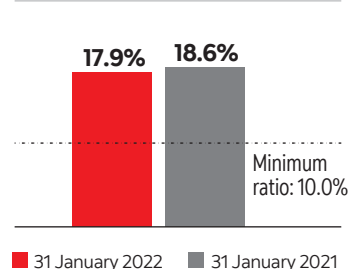


Our Insurance Segment continues to demonstrate consistent growth and customers' increasing confidence in our product offerings.

Shareholders' equity

Total Shareholders' Equity closed the period at \$4.3 billion, an increase of \$115 million or 3% when compared to the balance as at 31 January 2021. The Bank's capital adequacy ratio stood at 17.9% as at 31 January 2022, which continues to be significantly above the minimum capital adequacy ratio of 10% as specified by local regulators.

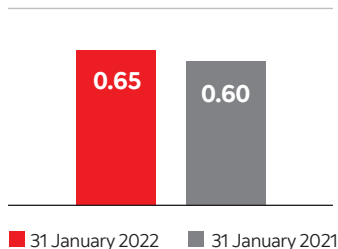
CAPITAL ADEQUACY



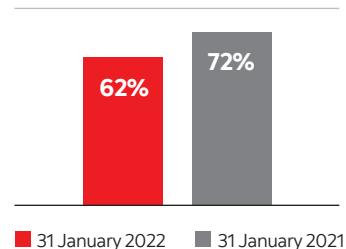
Dividends

Despite the reduction in the dividend payout ratio in 2022, our ratio remains very healthy, where over 60% of the profits are returned to our shareholders. Commensurate with the increase in profitability in 2022, total Dividends issued for Q1/22 increased from 60c per share in 2021 to 65c. Our dividend yields remain very healthy and reaffirm our commitment to maximise our total return to shareholders in the form of dividend payments as well as capital appreciation.

DIVIDENDS PAID (TT¢)



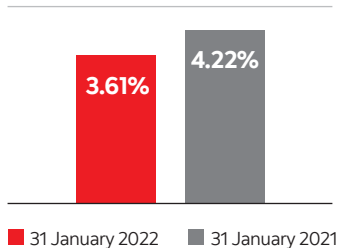
DIVIDEND PAYOUT RATIO



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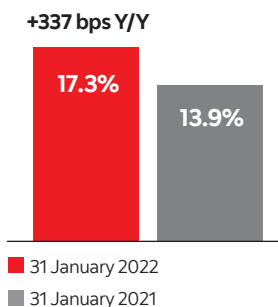
DIVIDEND YIELD



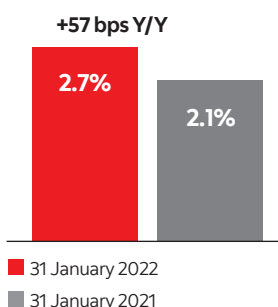
Return on equity and return on assets

Improvement in profitability has led to increased return on equity and return on assets. Return on Equity increased from 13.9% to 17.3%, whilst Return on Assets increased from 2.1% to 2.7%, reflecting the effectiveness of the Group's strategies in improving profitability.

RETURN ON EQUITY



RETURN ON ASSETS



Students of Signal Hill Secondary with their laptops donated by Scotiabank through the Yahweh Foundation.

household incomes. This was the catalyst for Scotiabank's collaboration with, to date, 14 NGOs and 60 schools, helping provide 1,148 students with access to online learning.



Ashley De La Rosa - Programme Supervisor, MOMS for Literacy, helps young students to develop their reading skills, using the MOMS Online Literacy Programme.

SCOTIABANK IN THE COMMUNITY

In 2021, our community initiatives have benefitted more than 33,000 individuals and more than 24,000 youths through working with 99 charities, schools and community groups.

We wrapped up the year with donations of tablets and laptops to Secondary School students through collaborations with the Cotton Tree Foundation in Trinidad and the Yahweh Foundation in Tobago. When the COVID-19 pandemic prompted the shift to online learning, students' education was significantly impacted – in particular, those who have been unable to acquire online devices due to already stretched

We also recognised that even with remote learning opportunities, for those with specialised learning needs, there may be challenges in finding appropriate resources and even affording those services. We recently collaborated with a few NGOs to help close this gap. Literacy programmes being conducted by MOMS for Literacy and Adult Literacy Tutors Association (ALTA) are helping boys and girls with reading, comprehension and writing skills. Through a collaboration with the Joy of Living Resource Centre (JOL) in Tobago, differently abled learners were provided with devices with assistive technology to help

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them develop language skills and assist those with speech disabilities to communicate.



The year 2022 started off with great news as we were recognised by the Sustainability, Environmental Achievement and Leadership (SEAL) Awards for our innovation, and commitment to sustainable business practices. We received this award for our Paperless Project. We saw an opportunity to improve our environmental impact by

embracing sustainable practices through the curtailment of paper usage throughout our organisation. This led to a reduction in print volumes by 3.6 million pages through creating a culture of awareness, responsibility and impact with our employees who have embraced the migration of paper-based processes to digital solutions that elevate our customers' overall experience.

We remain committed to continuing to explore programmes that move the needle, not just on environmental progress, but also other areas of ESG in order to maximise our positive impact, helping to build a better future for all stakeholders.

Scotiabank Trinidad and Tobago Limited

Financial results for the period ended 31 January 2022

Scotiabank[®]

To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited (The Group) realised, Income After Tax of \$185 million for the quarter ended 31 January 2022, an increase of \$39 million or 27% over the quarter ended 31 January 2021.

In a continuation of the trend started in 2021, our financial performance continues to improve as we begin to see signs of recovery beginning to positively impact the local economy. Total Revenue was \$475 million, \$34 million or 8% higher than the same period last year driven by an increase in Other Income of \$45 million or 37% as we continue to register recovery in key core banking activity lines. This was partially offset by lower Net Interest Income which declined by \$12 million or 4% due to interest rate compression and decline in loan balances during the prior year.

Non-Interest Expenses declined by \$27 million or 13% over the quarter ended 31 January 2021 as we continue to benefit from our Operational Cost focus since the start of the pandemic. This has improved our productivity from 45.3% to 36.5% over the same period, reinforcing our position as market leader within the industry.

Total Assets of \$27.7 billion increased by \$307 million or 1% over 31 January 2021. The Group's main interest earning asset, Loans to customers increased by \$98 million or 1% over prior year and \$560 million or 4% quarter over quarter as we continue to see recovery in different economic segments and increased consumer demand.

Whilst beginning to experience loan growth, we have seen an improvement in the credit quality of our loan portfolio. Our ratio of non-accrual loans total loans improving by 45 bps to 1.90%, reinforcing our pro-active strategies and innovative solutions to assisting customers experiencing financial difficulties. These measures coupled with consistent proactive communication with customers has been a major factor in our ability to reduce our non-accruals ratio to the lowest level that we have experienced in the last 6 years.

Our improvement in business performance has extended beyond the retail and commercial segments. Our insurance segment continues to grow with policyholder liabilities growing by \$117 million or 7% illustrating our customers confidence in our products and business model. From a wealth perspective, we have seen our assets under management increase by \$712 million or 21% as compared to January 31 2021.

Deposits from customers increased by \$61 million or 0.3% over last year and \$493 million or 2% quarter over quarter as we continue to see a return to confidence in deposit facilities with our customers. It should be noted that this growth in deposits is complementary to the growth seen in our insurance and wealth segments above, illustrating that we are tailoring our products and services to meet the diversified needs of our customer base.

The COVID pandemic remains an active input in the world's economic prospects. Notwithstanding several challenges being faced on the world stage including the Russia-Ukraine war, rising inflation, labour shortages and supply chain issues, The Group remains cautiously optimistic on the future economic prospects for Trinidad and Tobago. Our core business lines continue to show growth and we have a strong and resilient capital base that will allow us to manage unforeseen shocks that may arise.

Based on these results, the Directors have approved a final dividend of 65 cents per share this quarter compared to 60 cents in the prior year. This dividend will be payable on 12 April 2022 to shareholders on record as at 28 March 2022.

As we continue to navigate the global uncertainties, we will continue to support our customers during these challenging times. We continue to urge everyone to stay safe and thank you for your continued support of Scotiabank.

15 March 2022



Derek Hudson
Chairman



Gayle Pazos
Managing Director

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

	UNAUDITED As at 31 January 2022	UNAUDITED As at 31 January 2021	AUDITED As at 31 October 2021
ASSETS			
Cash on hand and in transit	144,666	177,042	218,702
Loans and advances to banks and related companies	756,691	824,873	854,150
Treasury bills	4,053,341	3,125,920	3,599,239
Deposits with Central Bank	2,641,496	3,604,294	3,046,104
Loans to customers	16,290,047	16,191,750	15,729,895
Investment securities	3,194,327	2,864,473	3,099,702
Investment in associated companies	40,805	39,227	39,668
Deferred tax assets	61,172	137,333	142,372
Property and equipment	354,867	388,258	359,519
Miscellaneous assets	44,870	40,195	27,358
Defined benefit pension fund asset	131,328	12,969	129,516
Goodwill	2,951	2,951	2,951
Taxation recoverable	4,916	4,916	4,916
TOTAL ASSETS	27,721,477	27,414,201	27,171,092
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	20,734,855	20,673,945	20,241,852
Deposits from banks and related companies	42,582	32,810	142,737
Other liabilities	632,510	685,042	592,766
Taxation payable	91,385	65,117	71,795
Policyholders' funds	1,706,051	1,589,389	1,651,939
Post-employment medical and life benefits obligation	180,015	158,056	175,485
Deferred tax liabilities	57,755	48,080	50,700
TOTAL LIABILITIES	23,445,153	23,252,439	22,927,274
EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	835,100	814,514	815,100
Investment revaluation reserve	27,540	5,032	30,593
Retained earnings	3,146,121	3,074,653	3,130,562
TOTAL EQUITY	4,276,324	4,161,762	4,243,818
TOTAL LIABILITIES AND EQUITY	27,721,477	27,414,201	27,171,092

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

	UNAUDITED Three months ended 31 January 2022	UNAUDITED Three months ended 31 January 2021	AUDITED Year ended 31 October 2021
REVENUE			
Net Interest Income	305,637	317,360	1,219,172
Other Income	169,278	123,828	511,040
Total Revenue	474,915	441,188	1,730,212
EXPENSES			
Non-Interest Expenses	173,482	200,019	701,987
Net impairment loss on financial assets	17,193	22,815	108,521
INCOME BEFORE TAXATION	284,240	218,354	919,704
Income tax expense	98,789	72,357	316,179
INCOME AFTER TAXATION	185,451	145,997	603,525
Dividends per share	65.0c	60.0c	350.0c
Earnings per share	105.2c	82.8c	342.2c

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

	UNAUDITED Three months ended 31 January 2022	UNAUDITED Three months ended 31 January 2021	AUDITED Year ended 31 October 2021
NET INCOME FOR THE YEAR	185,451	145,997	603,525
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	-	-	66,278
Fair value remeasurement of debt instruments at FVOCI, net of tax	(3,053)	(5,968)	19,593
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	182,398	140,029	689,396

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

	UNAUDITED Three months ended 31 January 2022	UNAUDITED Three months ended 31 January 2021	AUDITED Year ended 31 October 2021
Cash flows from operating activities			
Net income after taxes	185,451	145,997	603,525
Change in loans to customers	(554,399)	87,887	583,660
Change in deposits from customers	490,966	(197,649)	(627,795)
Taxation paid	(66,336)	(76,856)	(272,084)
Other adjustments to reconcile income after taxation to net cash from operating activities	9,677	290,855	920,242
Net cash from operating activities	65,359	250,234	1,207,548
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	(1,419,910)	329,309	1,069,362
Change in investments	(121,629)	(746,249)	(1,073,066)
Purchase of property and equipment	-	(1,851)	(37,010)
Proceeds from disposal of share in associate company	-	-	3,134
Proceeds from disposal of property and equipment	1,344	-	-
Net cash used in investing activities	(1,540,195)	(418,791)	(37,580)
Cash flows used in financing activities			
Payment of lease liabilities	(4,164)	(4,489)	(18,224)
Dividends paid	(149,892)	(149,892)	(617,203)
Net cash used in financing activities	(154,056)	(154,381)	(635,427)
Increase (Decrease) in cash and cash equivalents	(1,628,892)	(322,938)	534,541
Cash and cash equivalents, beginning of period	3,109,224	2,574,683	2,574,683
Cash and cash equivalents, end of period	1,480,332	2,251,745	3,109,224
Cash and cash equivalents			
Cash on hand and in transit	144,666	177,042	218,702
Loans and advances to banks and related companies	756,691	824,873	854,150
Treasury Bills with original maturity date not exceeding 3 months	346,000	-	1,213,372
Surplus deposits with Central Bank	232,975	1,249,830	823,000
Cash and cash equivalents	1,480,332	2,251,745	3,109,224

Scotiabank Trinidad and Tobago Limited

Financial results for the period ended 31 January 2022

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

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED					
Three months ended 31 January 2022					
Balance as at 31 October 2021	267,563	815,100	30,593	3,130,562	4,243,818
Net income for the year	-	-	-	185,451	185,451
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(3,053)	-	(3,053)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	-	-	(3,053)	185,451	182,398
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	20,000	-	(20,000)	-
Dividends paid	-	-	-	(149,892)	(149,892)
	-	20,000	-	(169,892)	(149,892)
Balance as at 31 January 2022	267,563	835,100	27,540	3,146,121	4,276,324
UNAUDITED					
Three months ended 31 January 2021					
Balance as at 31 October 2020	267,563	804,514	11,000	3,088,548	4,171,625
Net income for the year	-	-	-	145,997	145,997
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	(5,968)	-	(5,968)
- Remeasurement of post-employment benefits asset/obligation	-	-	-	-	-
Total comprehensive income	-	-	(5,968)	145,997	140,029
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	10,000	-	(10,000)	-
Dividends paid	-	-	-	(149,892)	(149,892)
	-	10,000	-	(159,892)	(149,892)
Balance as at 31 January 2021	267,563	814,514	5,032	3,074,653	4,161,762
AUDITED					
Year ended 31 October 2021					
Balance as at 31 October 2020	267,563	804,514	11,000	3,088,548	4,171,625
Net income for the year	-	-	-	603,525	603,525
Other comprehensive income, net of tax					
- Fair value remeasurement of FVOCI investments	-	-	19,593	-	19,593
- Remeasurement of post-employment benefits asset/obligation	-	-	-	66,278	66,278
Total comprehensive income	-	-	19,593	669,803	689,396
Transactions with equity owners of Scotiabank					
Transfer to statutory reserve	-	10,586	-	(10,586)	-
Dividends paid	-	-	-	(617,203)	(617,203)
	-	10,586	-	(627,789)	(617,203)
Balance as at 31 October 2021	267,563	815,100	30,593	3,130,562	4,243,818

Segment reporting (stated in \$'000)

	Retail & Commercial Banking	Corporate & Asset Management	Insurance Services	Other	Total
UNAUDITED					
Three months ended 31 January 2022					
Total Revenue	430,211	4,183	40,521	-	474,915
Material non-cash items					
Depreciation	8,218	-	-	-	8,218
Income before taxation	247,417	3,479	33,344	-	284,240
Assets	16,290,047	46,090	2,501,803	8,883,537	27,721,477
Liabilities	20,734,855	942	1,748,823	960,533	23,445,153
UNAUDITED					
Three months ended 31 January 2021					
Total Revenue	399,388	1,952	39,847	-	441,188
Material non-cash items					
Depreciation	7,823	-	-	-	7,823
Income before taxation	182,410	1,295	34,646	-	218,354
Assets	16,191,750	36,170	2,416,473	8,769,807	27,414,201
Liabilities	20,673,945	344	1,640,744	937,406	23,252,439
AUDITED					
Year ended 31 October 2021					
Total Revenue	1,568,315	10,197	151,700	-	1,730,212
Material non-cash items					
Depreciation	30,439	-	-	-	30,439
Income before taxation	786,003	7,612	126,089	-	919,704
Assets	15,729,895	42,780	2,423,349	8,975,068	27,171,092
Liabilities	20,241,852	574	1,703,040	981,808	22,927,274

Significant Accounting Policies:

Basis of preparation

These financial statements, in all material aspects, have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are the same as were followed in the financial statements as at 31 October 2021.