Scotiabank®

Media Release

For the year ended 31 October 2021

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Scotiabank Reports Improved Profitability During 2021

FOURTH QUARTER HIGHLIGHTS

	YEAR ENDED 31 OCTOBER 2021	YEAR ENDED 31 OCTOBER 2020
Income after Taxation	**$604 million**	**$521 million**
Dividends per share	**350.0c**	**225.0c**
Earnings per share	**342.2c**	**295.3c**

Scotiabank Trinidad and Tobago Limited ("The Group") realized income after tax of $604 million for the year ended 31 October 2021, an increase of $83 million or 16% over the prior year ended 31 October 2020. For the quarter ended 31 October 2021, The Group realized income after tax of $142 million, a decrease of $13 million or 8%, compared to the previous quarter in 2020.

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

"2021 was a year of unique challenges faced by the country and our Group. The economic environment remains subdued as consumer demand and investment are below pre-pandemic levels and we continue to experience relatively high levels of COVID-19 cases. Notwithstanding these headwinds, The Group has recorded improved financial performance, driven by lower net impairment losses on loans and reduced operating expenditure. The Group's total Revenue declined by $48 million or 3%, driven by the reduction in loan balances. In response to lower revenues, The Group reduced its non-interest expense base by $55 million or 7%, translating into an improved operating efficiency ratio of 40.6%. The Group continues to exercise prudent risk management, and the credit quality of our loan portfolio has remained relatively stable with a ratio of non-accrual loans to total loans of 2.3%. Net impairment losses on loans reduced by $121 million or 53% from prior year.

In keeping with our strategic agenda, we remain focused on delivering the best customer experience. Our customers are increasingly demanding safe and efficient ways to do their banking and we have put our digital offerings at the forefront of our drive to fulfil customers' expectations. We have seen over 3.4 million online and mobile transactions, and through continued feedback from ongoing customer surveys, we continue to enhance both our digital and non-digital offerings. In October, we launched Scotia SelectPay™, becoming the first within the local industry to give our customers the flexibility to convert credit card purchases into monthly instalments. I encourage our customers to visit tt.scotiabank.com to learn more about our acclaimed Scotia Caribbean App and other products and services that we offer.

> ***"In keeping with our strategic agenda, we remain focused on delivering the best customer experience."***

During these challenging times, we continue to support our customers. We are pleased to have provided

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financial assistance to over 95,000 customers to date and remain committed to helping them navigate the changes brought about by the pandemic.

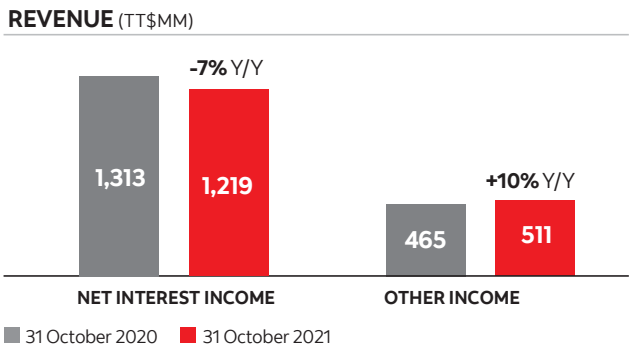
The success achieved this year would have not been possible without the unwavering dedication of our Scotiabank employees. Our Senior Management and staff have risen to the challenge of assisting our customers, and the passion and commitment displayed by our team has been inspiring.

Finally, I would like to thank our loyal customer base and shareholders for the support shown throughout 2021. We are being continuously driven to improve to meet your changing needs and look forward to your continued advocacy in the future."

GROUP FINANCIAL PERFORMANCE

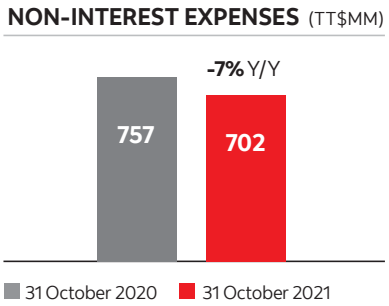
Revenue

Total Revenue, comprising of Net Interest Income and Other Income, was $1.7 billion for the period ended 31 October 2021, a decrease of $48 million or 3% over last year. Net Interest Income for the period was $1.2 billion, $94 million or 7% lower when compared to 2020, driven mainly by decline in our loan portfolio and interest rate compression. Other Income for the same period was $511 million, $46 million or 10% more than the prior year as a result of increases in core banking revenues including credit card income, partially offset by lower insurance revenues.



Non-interest expenses and operating efficiency

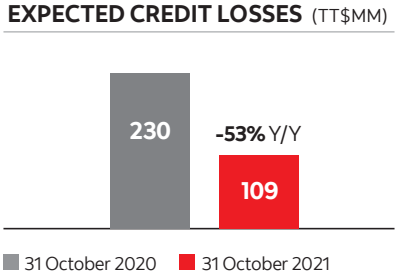
Total Non-Interest Expenses (NIE) for the period ended 31 October 2021 was $702 million, $55 million or 7% lower than the same period in 2020. Managing



the efficiency of our operations remains a strategic priority of The Group, especially in the context of the current and forecasted economic environment for 2022 and beyond. This continued focus has resulted in an operating efficiency ratio of 41% as at October 2021, improving from 43% last year.

Credit Quality

Net impairment losses on financial assets for the period ended 31 October 2021 was $109 million, a decrease of $121 million over the prior year.



Our prudent risk management strategies and pro-active measures taken in 2020 to mitigate credit losses have resulted in a significant reduction in our expected credit losses in 2021. Our credit quality continues to be high as demonstrated by the ratio of non-performing loans as a percentage of gross loans at 2.3%.

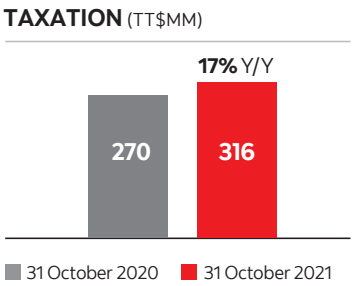
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Taxation

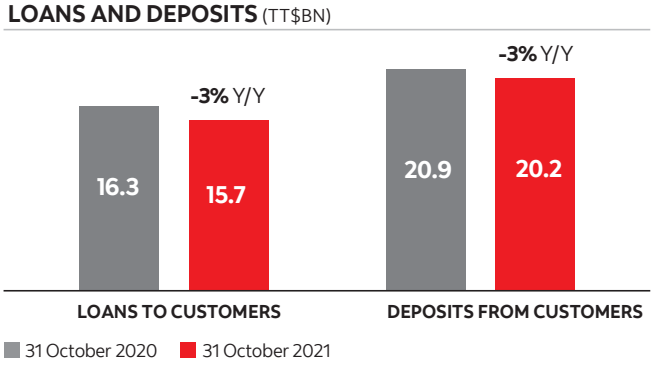
Taxation Expense for the period ending 31 October 2021 was $316 million, an increase of $46 million over the prior year and in line with the 2020 effective tax rate of approximately 34%.



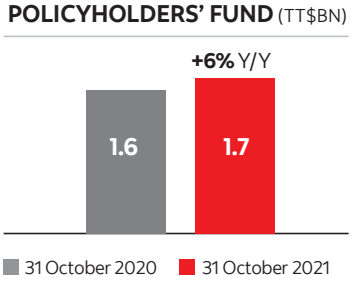
Balance sheet

Total Assets were $27.2 billion as at 31 October 2021, decreasing slightly by $333 million or 1% when compared to the prior year. Loans to Customers, the Bank's largest interest earning asset, closed the year at $15.7 billion, reflecting a reduction of $545 million or 3% compared to 2020. This is directly attributable to the current economic climate and subdued consumer demand. Investment securities and Treasury Bills stood at $6.7 billion as at 31 October 2021. To mitigate the shortfall in lending, The Group has deployed surplus liquidity into Treasury Bills and investment securities, which have collectively increased by over $1.1 billion over the prior year.

As at 31 October 2021, Total Liabilities declined by $405 million to $22.9 billion or 2% below last year.



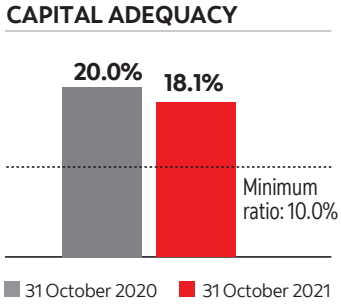
This was driven by a decline in customer deposits of $627 million or 3%, from $20.9 billion to $20.2 billion.



Our insurance segment also continues to perform creditably with Policyholders' liabilities showing growth of $93 million or 6% over the prior year, underpinning our continued growth in the industry.

Shareholders' equity

Total Shareholders' Equity closed the period at $4.2 billion, an increase of $72 million or 2% when compared to the balance as at 31 October 2020.



The Bank's capital adequacy ratio stood at 18.1% as at 31 October 2021, which continues to be significantly above the minimum capital adequacy ratio of 10.0% as specified by local regulators.

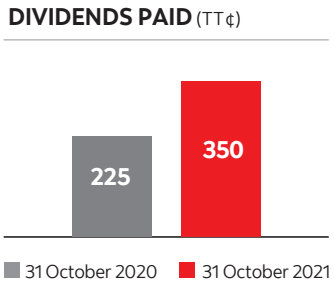
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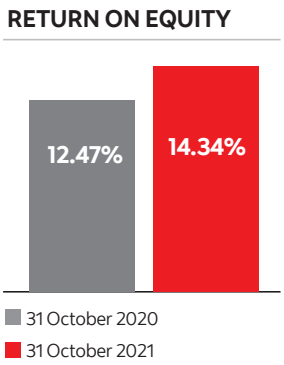
DIVIDENDS

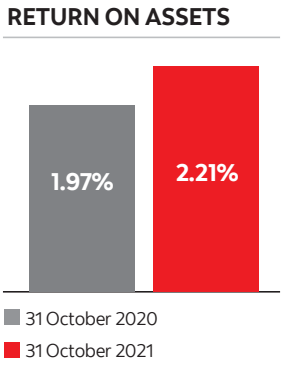
Total Dividends paid for the year of 350c, which included a special dividend of 85c, was higher than the 225c paid in the prior year. Our dividend payout ratio increased from 76% in 2020 to 102% in 2021.



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 12.5% to 14.3%, whilst Return on Assets increased from 2% to 2.2%, reflecting the effectiveness of our cost management strategies and our prudent credit loss policy.





SCOTIABANK IN THE COMMUNITY

Through the Scotiabank Foundation, we have supported environmental and food sustainability initiatives focused on households in Southern Trinidad. Through collaborations with SURE Foundation and Key of David International, a community seedling distribution initiative and a youth-focused hydroponics programme were embarked upon. As a result, 12,000 households and numerous children's homes have created kitchen gardens, grow boxes, and a hydroponics system.



Youngsters get involved in setting up grow boxes at Mother's Union Children's Home.

These environmental investments in food sustainability help reduce carbon emissions and improve food security while encouraging healthy habits and community resilience.



Scotiabank volunteers package face masks for distribution to schools in UWTT's Support for Primary Schools for the New Norm Project.

We are proud to contribute to United Way Trinidad & Tobago's (UWTT) Support for the New Norm Project, which aims to help selected primary schools in high

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need communities to re-open safely and efficiently. Five thousand students and 241 teachers across 15 schools will benefit from the initiative.

The Project is focused on enhancing sanitization and hygiene, through improving and expanding washroom facilities, infrastructure for handwashing stations, provision of face masks and child and parent friendly communication materials to the schools. This is in addition to supporting the ventilation and internet connectivity needs to improve school readiness for implementation of the blended schooling model.

For over two decades, our commitment to health and wellness and breast cancer awareness is seen in our annual 5K. Despite not being able to host an in-person event this year, we remain dedicated to the cause. Cancer is a disease that is as diverse and complex as our communities. We highlighted the importance of early detection, healthy lifestyles and support systems through sharing the experiences of breast cancer patients, their loved ones, local influencers and health professionals.

Help make an impact by donating to the Scotiabank Women Against Breast Cancer (SWABC) Fund. Account# 74815 00131247. In the last five years alone, we have donated $1.25M towards breast cancer screening initiatives, and since our initial launch of the SWABC programme, we have helped over 20,000 women access free screening.



Sarita Rampersad and Melissa Gabriel, breast cancer patients, joined our Breast Cancer Awareness Campaign this year.