Scotiabank

2023 ANNUAL REPORT

TRINIDAD AND TOBAGO LIMITED





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SCOTIABANK HAS BEEN A PART OF TRINIDAD AND TOBAGO FOR 70 YEARS

We offer a comprehensive line of Retail, Small Business, Corporate, Commercial and Wealth services through our extensive network of branches across the country. Our subsidiaries include ScotiaLife Trinidad and Tobago Limited and Scotia Investments Trinidad and Tobago Limited. The Scotiabank Trinidad and Tobago Foundation, a registered charitable organisation, manages Scotiabank's philanthropic activities in Trinidad and Tobago.

CORPORATE DATA

The ordinary shares of the Bank are listed for trading on the Trinidad and Tobago Stock Exchange.

SECRETARY

Kimi Rochard
56 – 58 Richmond Street,
Port of Spain

AUDITORS

KPMG, Savannah East,
11 Queen's Park East,
Port Of Spain

ATTORNEYS

Fitzwilliam Stone Furness-Smith & Morgan,
48 – 50 Sackville Street,
Port of Spain

Note: All monetary amounts are stated in Trinidad and Tobago dollars, unless explicitly stated otherwise.

CONSOLIDATED FINANCIAL HIGHLIGHTS

October 31, 2023 ($ thousands, except per share data)

	2023	2022
Total Assets	**29,656,029**	28,023,320
Deposits	**22,028,144**	20,891,772
Net Loans to Customers	**18,604,223**	17,308,959
Income Before Taxation	**1,021,773**	1,050,559
Net Income Attributable to Equity Holders	**677,991**	683,749
Number of Shares Outstanding	**176,343,750**	176,343,750
Number of Shareholders	**7,607**	7,607
Market Value Per Share	**$72.34**	$77.80
Net Book Value Per Share	**$25.34**	$24.54

WHY INVEST IN SCOTIABANK?

- Diversified by business lines providing sustainable and growing earnings
- Generated a high level of earnings and maintained a strong dividend payout ratio
- Strong risk management culture
- Focused on digitization to strengthen customer experience and improve efficiency
- Strong balance sheet with prudent capital and liquidity positions

	2023	5 YEAR AVERAGE (2019-2023)
RETURN ON EQUITY (ROE):	15.4%	14.9%
RETURN ON ASSETS (ROA):	2.4%	2.4%
OPERATING EFFICIENCY:	41.8%	41.0%
DIVIDEND PAYOUT RATIO:	72.8%	83.1%
CAPITAL POSITION: →	Strong	Strong

2023 EARNINGS PER SHARE (EPS):

384.5

Note: All monetary amounts are stated in Trinidad and Tobago dollars, unless explicitly stated otherwise.

THE ORDINARY SHARES OF THE BANK ARE LISTED FOR TRADING ON THE TRINIDAD AND TOBAGO STOCK EXCHANGE.

Secretary:	Kimi Rochard, 56 – 58 Richmond Street, Port of Spain
Auditors:	KPMG, Savannah East, 11 Queen's Park East, Port Of Spain
Attorneys:	Fitzwilliam Stone Furness-Smith & Morgan, 48 – 50 Sackville Street, Port of Spain



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

Scotiabank Trinidad and Tobago Limited ("the Bank") continues to perform at sustained levels of excellence. The Board is pleased with the continued progress that the Bank's management team and employees are making on achieving its strategic agenda deliverables, while continuing to meet key operational and financial metrics.

Derek Hudson
Chairman,
Scotiabank Trinidad
and Tobago Limited

I am pleased to report that the Bank has recorded Net Profit after tax of $678 million. This performance was achieved through strong balance sheet growth in our retail and commercial banking portfolios as well as improved results in our insurance segment.

Our transformation into a more digital driven organisation continued with significant investment in our technological infrastructure. This has played a critical role in helping us to improve our customer experience and product delivery. I am pleased to report that our Bank was awarded 'Best Digital Bank' by Global Finance © for the third consecutive year and our best in-class mobile banking application was also awarded 'Best Mobile App'. We believe that the Bank's digital platform will continue to be a key differentiator from our competitors, thereby ensuring our long term profitability, while providing our customers with the efficient product solutions that they desire.

INTEGRITY & SOUND GOVERNANCE

Your Board and management are committed to maintaining sound governance and integrity standards to balance and protect the long-term interests of our stakeholders, including shareholders, customers, employees and the communites in which we operate. The Bank's Corporate Governance Policies are designed to ensure the independence of the Board as well as the ability to effectively supervise management's day to day running of the Bank.

I AM PLEASED TO REPORT THAT OUR BANK WAS AWARDED 'BEST DIGITAL BANK' BY GLOBAL FINANCE © FOR THE THIRD CONSECUTIVE YEAR AND OUR BEST IN-CLASS MOBILE BANKING APPLICATION WAS ALSO AWARDED 'BEST MOBILE APP'.

Currently, 9 of the Bank's 12 directors are independent with all Board at 58% female representation. We continue to strive to ensure that we have diversity through gender, age, professional experience and geographical background.

The commitment to maintaining a compliant environment is at the heart of our Governance framework. The Bank's long-term stability and prosperity can only be achieved if we operate in a manner designed to protect against the various non-financial risks we face, such as money laundering and cyber security. We continue to invest heavily in technology and processes designed to protect the Bank and our customers. Your Board plays an active role in ensuring that we are meeting objectives related to these risks.

The Bank is also committed to the highest standards of ethical business behaviour. The Board has adopted the Scotiabank Code of Conduct which applies to all employees of the Bank and its subsidiaries, as well as its directors. The Corporate Governance Policy is available on our website and provides details on how the Board has adopted appropriate charters, codes and policies and established a number of committees to effectively govern the Company.

OPERATING ENVIRONMENT

The global recovery from the COVID-19 pandemic, along with armed conflicts in Ukraine and Middle East, remains tentative despite some earlier resistance. Economic activity is still falling short of its pre-pandemic path, with recovery slowed by several factors including geopolitical tensions as described in the foregoing, as well as monetary policies of developed countries in an attempt to curb inflation.

According to the International Monetary Fund, global growth is forecast to slow from 3.5 % in 2022 to 3.0% in 2023 and 2.9% in 2024. Growth over the medium term is forecasted around 3.1%, the lowest in decades with inflation expecting to decline to 5.8% in 2024. Developing countries are projected to have modest decline in growth, from 4.1% in 2022 to 4.0% in both 2023 and 2024.

Energy commodity prices have remained below their peak in 2022 and have relatively lower levels during 2023, driven by supply constraints and lower demand, especially in Asia and China. This has softened the GDP growth forecast for Trinidad for 2024 declining to 2.2% from 2.5% in 2023. Inflation is expected to decline from 5.4% in 2023 to 2.9% in 2024.

THE BANK'S STRONG AND WELL CAPITALIZED BALANCE SHEET WILL ENSURE THAT WE HAVE THE RESOURCES TO MEET FUTURE NEEDS WHILE STILL DELIVERING SHAREHOLDER VALUE.

LOOKING AHEAD

As we enter 2024, our 70th year, we are very excited for what the future holds. The Bank's strong and well capitalized balance sheet will ensure that we have the resources to meet future needs while still delivering shareholder value. The leadership at both the Board and management levels are committed to ensuring focus on achieving long term sustainable growth while remaining agile in the face of changing and emerging global and geopolitical issues that can impact short term performance.

I would like to thank my fellow Board Directors for their unwavering commitment to driving the Bank's strategic agenda. On behalf of the Board, I would like to extend our thanks to our valued shareholders and customers for their continued confidence as we go into another year.

In closing, I would like to gratefully acknowledge the Managing Director, her leadership team, and our employees across the Group for their commitment and dedication. Together as a team we have been able to overcome the unique challenges before us, while building an even better Bank for the future.



Derek Hudson
Chairman

OUR 2023 AWARDS

Scotiabank Trinidad and Tobago Limited continued to earn international recognition in 2023:

- Best Bank in Trinidad and Tobago
- Market Leader – Digital Solutions
- Market Leader - Corporate Social Responsibility
- Market Leader - Environmental Social and Governance (ESG)
- Highly Regarded - Corporate Banking

- Best Digital Consumer Bank
- Best Mobile Banking App

- Certified as a Great Place to Work 2023

YOUR BOARD AND MANAGEMENT ARE COMMITTED TO MAINTAINING SOUND GOVERNANCE AND INTEGRITY STANDARDS TO BALANCE AND PROTECT THE LONG-TERM INTERESTS OF OUR STAKEHOLDERS, INCLUDING SHAREHOLDERS, CUSTOMERS, EMPLOYEES AND THE COMMUNITY IN WHICH WE OPERATE.



MANAGING DIRECTOR'S REPORT

Dear Shareholders,

It is my pleasure to report that our Bank has had another solid performance in 2023. All core business segments continue to thrive, delivering sustainable profitable growth for our customers, employees and shareholders.

Gayle M. Pazos
Senior Vice President and Managing Director, Scotiabank Trinidad and Tobago Limited
Head, Caribbean South and East, Scotiabank

Digital transformation, remains a key area of focus with artificial intelligence and machine learning playing an even greater role in our environment. Over the past year, we have invested in accessibility upgrades, security enhancements among other features, providing our customers with a safe, convenient and efficient channel to conduct their every day banking needs. Our progressive work in the digital space has once again been recognised by Global Finance for the third consecutive year as the **Best Digital Bank 2023** in Trinidad, we are also proud to have received for the first time this year, The ***Best Mobile Banking App award***.

FINANCIAL HIGHLIGHTS OF THE SCOTIABANK GROUP'S PERFORMANCE

The Group realised Net Income after Tax (NIAT) of $678 million, a decrease of 6 million or 1% under the prior year. Net Interest Income increased by $168 million or 13%, due to continued credit expansion in both our retail and Commercial segments coupled with favourable interest rates. Other income was down $129 million or 20% from prior year primarily due to lower trading revenues resulting from prevailing market conditions.

Non Interest expenses increased by $72 million or 10%, due to inflationary pressures, technology investments, and security enhancements as we advanced our digital mandate. Managing operational efficiency remains a strategic priority and our productivity ratio of 42% remains the lowest within the local banking sector.

DIGITAL TRANSFORMATION, REMAINS A KEY AREA OF FOCUS WITH ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING PLAYING AN EVEN GREATER ROLE IN OUR ENVIRONMENT.

Our loan portfolio is of high quality and has performed well with lower delinquency recorded on portfolios as Net Impairment losses improved by $4MM or 4%. Our ratio of Non-Performing Loans as a percentage of Gross Loans improved to 1.95% from 1.98% in 2022 with Net Impairment Losses as a percentage of Gross loans improving from 0.67% to 0.58%.

Our Balance Sheet remains robust, with Total Assets increasing by $1.6 billion or 6% to $29.7 billion. Loans to Customers, increased by $1.3 billion or 7% exceeding $1 billion for the second consecutive year driven by growth in both our retail and commercial segments.

We continue to be adequately capitalised, with a strong capital adequacy position of 17%, well in excess of the 10% minimum regulatory requirement, demonstrating our ability to withstand economic shocks.

We are committed to providing above average returns to our shareholders and during the 2023 calendar year, shareholders received in excess of $494 million, a healthy dividend payout ratio ofapproximately 73% of our 2023 profits.

KEY BUSINESS SEGMENTS HIGHLIGHTS

We continue to provide our **Retail Segment** customers with considerable digital optionality, as we enhance our digital offering, leveraging data analytics and artificial intelligence to provide customized offerings, and safe accessible and efficient ways to bank.

Despite a highly competitive market, net loans grew by $866 million or 7%, with strong growth in our Scotia Plan Loans. This resulted in market share growth of 17 bps to 34.05%.

As at year end, 72% of customers have enrolled in our digital platforms, with digital adoption at a record 54% and Digital Sales at 36%. Customers continue to embrace our digital channels as a safe alternative, with digital transactions increasing by 2.8 million as we close in to 97% of our transactions being conducted without any direct intervention by our staff.

Our **Corporate and Commercial segment** experienced solid loan and deposit growth, as we continue to focus on our client relationships, tailoring solutions to meet their banking needs. Corporate loans grew by 8%, improving our market share by 38 bps. Pleased to note that this year Scotia acted as Joint Bookrunner and Deal Manager for the Government of the Republic of Trinidad and Tobago's refinance of its US$550 million Notes due January 2024. The latter represented the GoRTT's 1st post-pandemic international issuance with the order book peaking at US$1.5bn.

Our Cash Management Service (CMS) and our Merchant Services platforms have continued to serve our customers well, with increased payment activity leading to a 16% increase in merchant revenues with the added benefit of reducing our manual processing.

Our **Insurance segment** recorded another strong performance, with Net Income After Tax (NIAT) of $124 million, an increase of 24%. Core insurance revenue increased by 39%, our best performance in recent years, driven by growth in our Gross Premiums reflecting our customer's confidence in our products. SLTT continues to make strides digitally by enabling policyholders to process an expanded array of service requests online.

Policyholder liabilities increased by 2%, backed by strong Total Asset growth of 4% with SLTT remaining extremely well capitalised to withstand any unforeseen shocks.

Our **Wealth segment** continues to perform above the industry average, despite a challenging investment climate impacted by ongoing geopolitical uncertainties. Year over year Growth in Net Income After Tax (NIAT) stood at 18%, with a 22% increase in mutual funds Assets Under Management over the same period in 2022 as more customers chose Scotiabank to provide investing solutions customized to their needs. This is the fastest growing segment within the Group, with a 5 year Compounded Annual Growth Rate (CAGR) for NIAT of 23% and Mutual Fund volumes of 20%.

Leveraging the Group's Digital strategy, we have added additional functionality to our Online Platform to support our Mutual Fund customers, allowing greater accessibility to our products.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) STRATEGY IS SUPPORTED BY FOUR PILLARS: ENVIRONMENTAL ACTION, SOCIAL IMPACT, INCLUSIVE SOCIETY AND LEADERSHIP & GOVERNANCE.

ENVIRONMENTAL, SOCIAL, GOVERNANCE

With our purpose as our guide – for every future – Scotiabank forms an important part of the social and economic fabric of the places in which we operate. Our Environmental, Social and Governance (ESG) strategy is supported by four pillars: Environmental Action, Social Impact, Inclusive Society and Leadership & Governance. We develop, implement and invest in initiatives across these pillars in order to maximize our positive impact.

We provide innovative sustainable finance advice and solutions to support a successful transition towards a more sustainable future for our business, clients, customers and communities. We continue to employ methods to reduce the environmental impact of our operations through reducing paper consumption and energy consumption and in 2023, as we continue to champion an environmentally conscious culture internally, we introduced recycling of plastics through an employee focused initiative.

In 2023, our social impact programmes benefitted 24,468 individuals and 17,336 youth through working through 54 charities, schools and community groups. We remain committed to helping young people discover their full potential, and as such, invest in sustainable partnerships that help bolster education and employment opportunities for young people, including those with disabilities.

OUR BUSINESS IS BUILT ON TRUST. WE WORK EVERY DAY TO EARN AND MAINTAIN THE TRUST OF OUR STAKEHOLDERS BY ACTING WITH INTEGRITY AND PRIORITIZING EFFECTIVE OVERSIGHT IN OUR OPERATIONS.

Our winning team is dedicated to giving back to the communities in which we live and work. With the return of in-person events in 2023, Scotiabankers volunteered their time at various initiatives, including our very own Scotiabank Women Against Breast Cancer 5K. We also continue to advance our diverse, inclusive culture where employees are empowered to be their genuine selves.

Our business is built on trust. We work every day to earn and maintain the trust of our stakeholders by acting with integrity and prioritizing effective oversight in our operations. Our governance structures promote accountability, transparency and ethical behaviour consistent with our corporate standards and values.

Please read more about our ESG initiatives on page 116.

LOOKING AHEAD WITH CONFIDENCE

We are proud of our progress with our strategic agenda to date, as we continue our journey of making our organisation more agile and a leader in the digital space. Providing an even better customer experience by understanding their preferences and creating solutions to meet their needs through the customer lifecycle.

We continue to demonstrate our ability to grow our portfolios in a safe and prudent manner, while providing our shareholders with consistent returns.

In closing, I thank my Management Team, and all employees for the many contributions that they have made to the Bank over the course of this challenging year. I want to acknowledge their dedication to serving our customers and living the Bank's core values each and every day.

I would also like to thank my fellow Directors for their support and extend a deep appreciation to all our Scotiabank customers and shareholders for your continued loyalty and trust.



Gayle Pazos
Senior Vice President and Managing Director

OUR LEADERSHIP





1. Derek Hudson

Chairman, Scotiabank Trinidad and Tobago Limited

- Derek Hudson was appointed Chairman of the Board of Directors of Scotiabank Trinidad and Tobago Limited effective December 8, 2020. He joined the Board in June 2016 and continues to participate in all of the Board's sub-committees. He held the role of Deputy Chairman in 2020.
- Derek is a geologist by profession and has worked in the oil and gas industry for over 30 years. He started his energy career with Trintopec, and then Petrotrin, following the merger of the state oil companies in the early 90's. Derek joined BG Group in 1995 and held several senior roles as Vice President of one of BG's UK upstream businesses from 2000 – 2004; Chief of Staff in Trinidad and Tobago from 2005 – 2007; President and Asset General Manager of BG Trinidad and Tobago from 2007 – 2012 and thereafter assumed a similar role for BG in East Africa, covering Tanzania, Kenya and Madagascar from 2013 – 2016..
- Following the merger of Royal Dutch Shell and BG Group in February 2016, Derek served as Shell's Vice President, Tanzania for six months, before his appointment in July 2016 to the position of Vice President and Country Chairman, Shell Trinidad and Tobago. Derek retired from the latter position in June, 2019 and continued to serve in an advisory capacity to Shell Trinidad and Tobago until June 2021. In September 2021, Derek was appointed to the board of Trinity Exploration and Production, a UK registered company with energy operations in Trinidad and Tobago.
- Derek was the non-Executive Chairman of the Port Authority of Trinidad and Tobago from 2005 – 2010, and also served on the Boards of United Way, the Development and Endowment Fund of the University of the West Indies and Atlantic LNG for extended periods.

Committee Member:

Audit and Conduct Review Committee
Corporate Governance and Human Resources Advisory Committee

2. Gayle Pazos

Senior Vice President and Managing Director, Scotiabank Trinidad and Tobago Limited
Head, Caribbean South and East, Scotiabank

- Senior Vice President and Managing Director, Scotiabank Trinidad and Tobago Limited
- Head, Caribbean South and East, Scotiabank
- Gayle Pazos was appointed as the Senior Vice President and Managing Director of Scotiabank Trinidad and Tobago Limited and Head, Caribbean South & East, on May 1, 2021 and is responsible for developing and implementing local business strategy for the region in the retail, commercial, insurance and wealth divisions.
- Over her 25+ year career with Scotiabank, Gayle has held a number of progressively senior leadership roles within the Bank. She was appointed Head of Corporate and Commercial Banking in 2011 and successfully led her team to deepen commercial relationships and grow market share. In 2015, Gayle moved on to lead Risk Management and was promoted to the role of Vice President and Chief Risk Officer, Caribbean South & East where she fostered a high-performance risk culture, strengthening financial and non-financial risk oversight across the region. In 2019, Gayle was seconded to a position within Western Canada, leading a large Retail Distribution team.
- Gayle is currently a Director and Chair of multiple Scotiabank subsidiary boards in the region. She serves as President of the Bankers Association of Trinidad and Tobago "BATT" and Director on the Board of United Way Trinidad and Tobago "UWTT"
- She holds a B.A. Honours degree in Business Administration from the Richard Ivey School of Business, University of Western Ontario, Canada.

Committee Member:

Corporate Governance and Human Resources Advisory Committee



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3. Anya M. Schnoor

Executive Vice President, Caribbean, Central America & Uruguay, International Banking
The Bank of Nova Scotia

- Anya was appointed to the Board of Directors effective October 30, 2020.
- Having held progressively senior roles across Trinidad and Tobago, Jamaica and Canada over her 31-year career, including the position of Managing Director of Scotiabank Trinidad & Tobago Limited during 2012-2017, in October 2020, Anya was appointed Executive Vice-President, Caribbean & Central America (CCA), International Banking. In this role, Anya leads the development of the overall strategic direction for the Bank's personal, commercial, corporate, wealth, and insurance operations for the countries in the region. She is also responsible for the strategic direction and oversight of the Insurance Business within International Banking. Prior to leading the CCA Region, Anya was the Executive Vice President for Retail Products in Canadian Banking, where she spearheaded major critical initiatives, including the development of the new Scotia Mobile Banking app in Canada, the launch of several award-winning credit cards, and the introduction of new D2D banking packages, to fundamentally transform the way Scotiabank serves its retail customers in Canada.
- Anya holds positions on various Scotiabank subsidiary boards, as Director and Chair, and is also a member of the International Women's Forum, an organization dedicated to supporting the next generation of women leaders.

Committee Member:

Corporate Governance and Human Resources Advisory Committee

4. Lisa Mackenzie

Finance and Administration Director and Co-Owner, Access & Security Solutions Ltd.

- Lisa Mackenzie is a chartered accountant of several years' standing. She is the Finance and Administration Director and Co-Owner of Access and Security Solutions Ltd. She is also a Director of Agostini's Limited and SuperPharm Limited.
- Lisa is a Fellow of The Association of Chartered Certified Accountants (F.C.C.A.) and a Member of the Institute of Chartered Accountants of Trinidad and Tobago.
- She joined the Bank's Board of Directors in March 2013 and also serves as the Chairman of ScotiaLife Trinidad and Tobago Limited.

Committee Member:

Audit and Conduct Review Committee
Corporate Governance and Human Resources Advisory Committee (Chairperson)

5. Steve Ragobar

Chartered Accountant

- Steve Ragobar is a Chartered Accountant who retired in 2013 as a Senior Partner at PricewaterhouseCoopers in Trinidad and Tobago. He has over 46 years of experience in providing Assurance and Business Advisory Services to a wide variety of clients, inclusive of those in the Oil and Gas, Petrochemical, Banking, Manufacturing, State, Construction and Distributive sectors. His expertise extends to key activities such as mergers and acquisitions, corporate finance, financial restructuring and corporate recovery.
- Steve is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Member of the Institute of Chartered Accountants of Trinidad and Tobago.
- He joined the Bank's Board of Directors in April 2015. He also serves as a Director of ScotiaLife Trinidad and Tobago Limited and Scotia Investments Trinidad and Tobago Limited.

Committee Member:

Audit and Conduct Review Committee (Chairperson)
Enterprise and Credit Risk Management Committee



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6. David Thomas

Financial Consultant

- David Thomas was appointed to Board of Directors, effective March 10, 2020. He is a banker by profession and worked at Scotiabank for over 30 years. Prior to his retirement from the Bank in 2018, David was the Vice President, Corporate Finance, Caribbean Region. Since then, David continues to share his expertise as an independent financial consultant in the Hospitality Sector.
- David possess extensive knowledge in corporate banking, investment banking, risk management, international banking, resolution of problem loans and implementation of digital technology. He is also a professional engineer who has also consulted to the health care sector prior to seeking an MBA from Dalhousie and pursuing a career in banking.
- David's extensive International and Caribbean banking experience involved responsibility for leading lending teams across 18 countries focused on origination of corporate and commercial loans across all industries utilizing his in-depth knowledge of local and regional financial markets.
- He completed the ICD.D Directors program in June 2019 through the Rotman School of Business at the University of Toronto. David presently serves as a Director on the Board of Scotiabank Bahamas and chairs its Risk Committee.

Committee Member:

Audit and Conduct Review Committee
Enterprise and Credit Risk Management Committee
(Chairperson)

7. Alan Fitzwilliam

Managing Director, Fitz Investments Limited

- Alan Fitzwilliam was appointed to the Board of Directors in December 2015. He is the former Managing Director/CEO of FT Farfan Limited and Executive of the wider AS Bryden Group. He is currently the Managing Director of Fitz Investments Ltd and Chairman of Scotia Investments Trinidad & Tobago Limited.
- Alan also has a wealth of experience in banking, project financing, capital market operations and corporate account management. He has sat on several private and public sector Boards in a non-executive capacity and holds a B.A. in Finance from the University of Western Ontario, London, Ontario, Canada.

Committee Member:

Corporate Governance and Human Resources Advisory Committee
Enterprise and Credit Risk Management Committee

8. John Hadad

Co-Founder and Co - Chief Executive Officer, HADCO Group

- John Hadad was appointed to Scotiabank's Board of Directors effective October 30, 2020. He has held the portfolio of Group co-Chief Executive Officer at HADCO Group for the last 31 years, a company which he co-founded in 1992; and has been able to expand and diversify in several sectors, with 17 sub-companies that span seven divisions and operates within the Caribbean and North America.
- He completed the Owner/President Management Program from the Harvard Business School in 2016 and possesses a B.Sc. in Engineering Physics from Queen's University, Canada.
- In addition to his appointment to the Board of Directors of Scotiabank, John is a Member of the Association of Professional Engineers in Trinidad and Tobago, Honorary Consul of the Republic of Malta, and Chairperson for the Institutional Advancement Committee of the Roman Catholic Archdiocese of Port-of-Spain.

Committee Member:

Audit and Conduct Review Committee
Corporate Governance and Human Resources Advisory Committee
Enterprise and Credit Risk Management Committee



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9. Camille Chatoor

General Manager, Caribbean Bottlers Trinidad and Tobago Limited

- Camille Chatoor was appointed to Board of Directors, effective June 8, 2021. She is the General Manager of Caribbean Bottlers Trinidad and Tobago Limited and has 30 years' experience in the disciplines of marketing, manufacturing, sales, distribution and trading in Trinidad and Tobago and the wider Caribbean Region.
- Among her directorships, Camille serves on the Boards of Unilever Caribbean Limited and the Trinidad & Tobago Chamber of Industry & Commerce.
- Camille is a graduate of Howard University, Washington D.C. where she earned a Bachelor of Arts in Business Administration and was inducted into their Hall of Fame for her athletic contribution to the school.

Committee Member:

Audit and Conduct Review Committee
Corporate Governance and Human Resources Advisory Committee

10. Anique Asher

Executive Vice President, Finance & Strategy at Scotiabank Canada

- Anique Asher was appointed to the Board of Directors effective December 14, 2021.
- She is the Executive Vice President, Finance & Strategy at Scotiabank Canada. In this role she is responsible for enterprise strategy, global financial planning and forecasting, strategic project prioritization, as well as finance support for Corporate Functions.
- Anique joined the bank in 2018 as Senior Vice President, Planning, Analysis & Optimization. Before joining Scotiabank, she held roles of progressive seniority at multinational financial firms.
- Anique is a Chartered Professional Accountant and holds an Honours MBA and undergraduate degree from the Richard Ivey School of Business. She is also a Director of Canada's Ballet Jorgen.

Committee Member:

Audit and Conduct Review Committee

11. Aileen Corrigan

Group Business Transformation Director, Digicel Group

- Aileen Corrigan was appointed to the Board of Directors effective December 11, 2023. She is a seasoned director with over 25 years of both local and multinational experience specialising in digital, media, and telecommunications sectors.
- During her career, Aileen has held various senior roles, including CEO of the Trend Media Group and NewComLive and, most recently, the position of Transformation Director for Digicel Group.
- Aileen is a Director of the Bank's affiliates in Jamaica – Scotiabank Group Jamaica Ltd, Scotiabank Investments Jamaica Ltd, the Bank of Nova Scotia Ltd and Scotiabank General Insurance Agency Ltd.

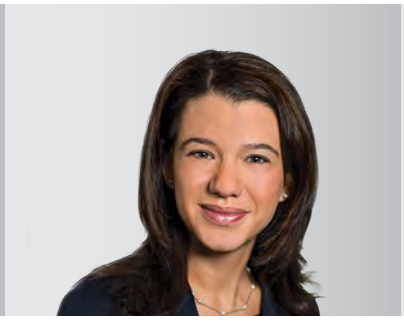
12. Amalia Maharaj

Senior Partner, Pollonais, Blanc, De La Bastide and Jacelon

- Amalia Maharaj was appointed to the Board of Directors effective December 11, 2023.
- She has been a practicing attorney at law for 21 years, and is a senior partner of the firm Pollonais, Blanc, De La Bastide and Jacelon. She is the service line leader of the Corporate and Commercial Law Department of the firm. Amalia's experience includes mergers and acquisitions, negotiating local and international capital market transactions, project financing and representation of large corporate clients, government bodies and state enterprises in commercial matters.
- Amalia currently serves on the Boards of Agostini's Limited and Kennesjay Green Limited and is a former Director of InvesTT Limited, and the former Chairperson of the Salaries Review Commission.



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THANK YOU,
Wendy-Fae.



After 12 years of dedicated service, Wendy-Fae Thompson retires as a member of the Board of Directors of Scotiabank Trinidad and Tobago.

Wendy-Fae joined the Board in 2010 and was appointed Deputy Chairperson in 2020. She has served as Chairperson of the Corporate Governance and Human Resources Advisory Committee and as a member of the Enterprise and Credit Risk Management Committee.

Wendy was also a director of the Board of our Insurance subsidiary, ScotiaLife Trinidad and Tobago Limited.

Among the highlights of her outstanding service, Wendy-Fae has provided strategic leadership and valuable counsel to the Board and Management. The Directors thank Wendy-Fae for her service and dedication to the Bank and its stakeholders, and for her invaluable contribution to growing shareholder value.

We extend best wishes to Wendy-Fae for her continued success in all her endeavours.

1. Gayle Pazos

Senior Vice President and Managing Director, Scotiabank Trinidad and Tobago Limited
Head, Caribbean South and East, Scotiabank

• See full bio on page 14.

2. Reshard Mohammed

Vice President, Chief Financial Officer and Chief Administrative Officer

- Reshard Mohammed joined Scotiabank Trinidad and Tobago Limited in August 2014. In November 2016, he was appointed as Vice President, Chief Financial Officer and Chief Administrative Officer, overseeing the finance, administrative and operational functions of Scotiabank's South and East English Caribbean region districts.
- Reshard has spent over 22 years working in the financial services sector and possesses the expertise of local and regional financial markets within the Caribbean.
- He holds a Bachelor of Science degree in Business Administration with a major in Accounting from Boston University and possesses the Certified Public Accountant designation from the United States. He also holds a Master of Science degree in Management from the London School of Economics.

3. Richard Edoo

Vice President, Retail and Business Banking

- Richard Edoo was appointed to the position of Vice President, Retail & Small Business, Caribbean South & East effective July 19, 2021.
- Since he joined the Bank in 1991, Richard has held increasingly senior positions primarily in the area of Retail & Small Business Banking and is well known as a strong leader and partner. During his six (6) years as District General Manager, Richard's inspirational leadership style has resulted in a winning sales team that consistently delivers excellent sales results and performance efficiency.
- As Vice President, Retail & Small Business, he is responsible for driving the evolution of Retail and Small Business Banking, Non-Branch Sales and Channels, Customer Experience and Retail Asset Management, to lead in the country and region.

4. Karen Abraham

Vice President & Chief Risk Officer

- Karen Abraham was appointed Vice President & Chief Risk Officer, Caribbean South & East, effective October 28, 2019.
- She joined Scotiabank in 2005 and has held progressively senior roles within Corporate & Commercial Banking and Risk Management. In her previous role as Director, Credit Risk, Karen led and managed all commercial credit adjudication and credit risk for the Caribbean South and East region.
- As Vice President & Chief Risk Officer, Karen provides strategic direction and leadership for the Caribbean South and East, ensuring effective communication of the Bank's risk appetite and risk culture, and with oversight for financial and non financial risk management including credit, market, operational and reputational risks.
- Karen holds a Bachelor of Science in Mathematics and Chemistry from Campbellsville University and a Masters of Applied Statistics from Ohio State University. She has also completed the professional qualifications of the Association of Chartered Certified Accountants.



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5. Randal Cezair

General Manager, Corporate and Commercial Banking

- Randal was appointed General Manager, Corporate and Commercial Banking, effective February 1, 2022.
- In this role, Randal is responsible for developing and implementing local strategy for commercial business line. Randal joined Scotiabank in 2014 and has a wealth of experience in credit evaluation, client relationship management, project and debt financing, derivatives and capital markets, across public and private sectors. He is a strong collaborator who is proficient in deal structuring and execution, having successfully led several global banking transactions for Scotiabank Trinidad and Tobago Limited.
- Randal holds a Bachelor's Degree in Economics and Management from the University of the West Indies,
- Cave Hill Campus and has completed Level 1 of the Certified Financial Analyst (CFA) programme.

6. Stephan Lalonde

Director, Human Resources

- Stephan Lalonde was appointed as Director, Human Resources for the Caribbean South & East, in January 2018.
- Stephan joined Scotiabank in 2010 in Toronto, Canada as Director, Learning & Performance, International Banking. In 2016, he was appointed to Director, Global Learning Programs where he was instrumental in managing the Bank's global learning programs, and deepening our leaders' development through our flagship global iLEAD Leadership Development programs.
- Stephan has a Bachelor of Psychology and Legal Studies from Carleton University, a Master's in Educational Technology from Concordia University and a MBA from Athabasca University. He brings resilience, a results focus and role models the behaviors of a respected team leader.

7. Kimi Rochard

General Manager, Legal and Corporate Secretary

- Kimi is an attorney-at-law with 24 years' post-qualification experience who has practised in Trinidad and Tobago, as well as England and Wales.
- Kimi possesses cross jurisdictional legal practice experience in both the public and private sectors, and over her career has also has served as an adjunct lecturer in business law disciplines.
- Kimi joined Scotiabank in 2014, and oversees the Bank's legal and corporate secretarial portfolios of work.
- Kimi attended the University of the West Indies where she attained a Bachelor of Laws in 1999, and also attended the University of Northumbria, Newcastle, where she attained a Master's Degree in Commercial Law in 2006.

8. Colin Hosein

Chief Auditor

- Colin Hosein was appointed to the position of Chief Auditor effective February 28, 2022.
- Colin possesses over 25 years' experience in branch operations, lending services, loan adjudication and collection recoveries. In his most recent role as Director, Collections, Colin was responsible for managing the Bank's non-performing retail and small business portfolios for the English Caribbean region.
- Colin holds a B.Sc and M.Sc in Social Sciences from the University of the West Indies, St. Augustine and an International M.B.A (with distinction) from the Arthur Lok Jack Graduate School of Business..



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9. Jarod Perryman

Managing Director, ScotiaLife Trinidad & Tobago Limited
Director, Wealth, Scotiabank Trinidad & Tobago Limited

- Jarod has been in the banking and insurance industry for the past 27 years holding positions of increasing responsibility over that period. He joined Scotiabank Trinidad & Tobago Limited in 2013 and has led teams both locally and regionally in producing consistently strong results, bringing to bear his experience in business development, portfolio management, strategic planning and risk management.
- Jarod was appointed as the Managing Director of the Life Insurance Company in December 2020. He also holds the position of Director, Wealth. In this role he is able to bring Insurance and Investment distribution closer together.
- Jarod holds a Master's Degree in Strategic Planning from the Edinburgh Business School, a Post Graduate diploma in Marketing from the Chartered Institute of Marketing in the U.K. and a Master Financial Advisor designation from the Life Insurance Marketing and Research Association

10. Sasha Noel

Director, Compliance

- Sasha joined Scotiabank in 2003, commencing her career in the Branch network. A former Employee of the Year, she is a highly driven professional and has over the past decade taken on more responsibility within the organization moving progressively in various roles within Information Technology to AML/ATF/Sanctions, Privacy, Digital and IT Compliance and Regulatory Compliance.
- In her current role as Director Compliance, Sasha is responsible for leading and managing Compliance risks for multiple territories, providing strategic direction and leadership for the Caribbean South and East District ensuring that business strategies, plans and initiatives are executed and delivered in compliance with governing regulations, ethical conduct and internal policies and procedures.
- Sasha holds a Bachelor of Science in Computing and Information Systems (Hons) from the London Metropolitan University and a Master of Business Administration from Australian Institute of Business. She is also a Certified Anti-Money Laundering Specialist (CAMS).
- Sasha holds a Bachelor of Science in Computing and Information Systems (Hons) from the London Metropolitan University and a Master of Business Administration from Australian Institute of Business. She is also a Certified Anti-Money Laundering Specialist (CAMS).

11. Dale Khan

Group Treasurer

- Dale has held the position of Group Treasurer over the last 7 years, and he is responsible for the management of the Bank's Treasury and Foreign Exchange (FX) function across the Caribbean South and East footprint.
- Dale possesses over 19 years' experience at various local and international financial institutions, where he held progressively senior roles in the areas of Treasury Management, FX Trading, Asset / Liability Management, Market Risk Management and Corporate / Investment Banking.
- He holds a BSc in Management Studies from the University of the West Indies and is a CFA Charterholder

12. Sameer N. Mohammed

Chief Accountant and Comptroller (Banking)

- Sameer N. Mohammed was appointed as Chief Accountant and Comptroller (Banking), effective June 16, 2021.
- Sameer is a Chartered Accountant with over 15 years of experience in the financial services industry. He is a fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT).
- A former Auditor at PricewaterhouseCoopers, Trinidad and Tobago, Sameer joined Scotiabank in 2011 and has held progressively senior roles within the financial and regulatory reporting functions of the Group.



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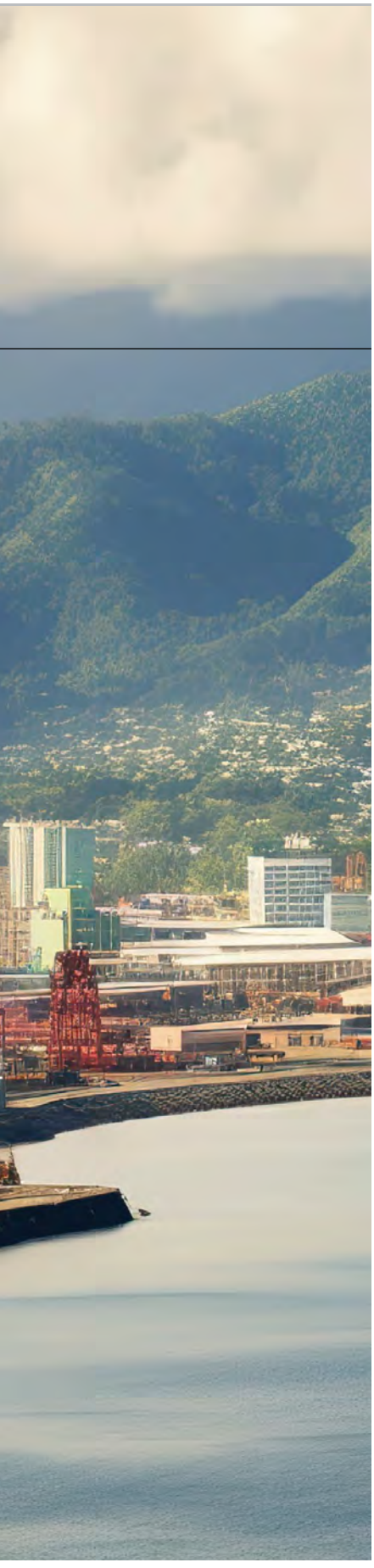
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CORPORATE GOVERNANCE





CORPORATE GOVERNANCE OVERVIEW

At Scotiabank Trinidad and Tobago Limited ("Scotiabank" or "Bank") good corporate governance goes to the heart of all that we do and guides all the decisions and actions that we take. A sound and robust corporate governance framework is how we demonstrate our commitment to maintaining stakeholder trust and confidence and ensures that the Bank's processes, policies and decisions are made fairly, transparently, and justifiably in the eyes of our stakeholders, which includes our present and future shareholders, investors, customers, employees, suppliers, the communities in which we operate, and our natural environment.

In this Corporate Governance Overview, we will explain how governance works at Scotiabank and how we ensure that we remain at the forefront of corporate governance best practice.

OUR GOVERNANCE LANDSCAPE

As a publicly listed financial institution, the Bank is regulated by the Central Bank of Trinidad & Tobago, the Trinidad & Tobago Securities and Exchange Commission, and the Trinidad & Tobago Stock Exchange. To ensure that we are compliant with the requirements of our Regulators, the Bank has put in place a solid compliance framework, which includes consistent monitoring and testing against our statutory obligations.

We are always reviewing our corporate governance practices to ensure that we remain current and at the forefront of this dynamic area. A recent example of this was seen in the action we took to review and update our practices, policies and procedures to ensure alignment with the Central Bank's Corporate Governance Guideline. We adhere to the principles of corporate governance international best practice and the Trinidad and Tobago Corporate Governance code.

We maintain a Corporate Governance Policy, a living document, which is reviewed on an annual basis by the Board to ensure that Policy remains relevant and captures ever-evolving best practices and standards in corporate governance. Our suite of governance documents which are also reviewed on an annual basis, include a Board Mandate, Committee Charters, and Chair & Board Member descriptions which set out the respective parties' accountabilities, responsibilities, expectations. Additionally, on an annual basis, Management completes an assessment of the Board's activities against its Mandate and reports its findings to the Board.

As part of the Bank of Nova Scotia's international footprint, the Board also adopts a Subsidiary Governance Policy, which sets out a framework by which each subsidiary works with our global Corporate Governance Office. This ensures that there is consistency in governance practices within the Global Scotiabank Group.

As noted above, the Board consistently reviews its corporate governance practices. This review encompasses the following:

- Every year, the board completes a self-assessment to reflect on its own effectiveness and to determine where its strengths, or areas for development lie. This exercise is supplemented by in camera discussions between the Chair of the Board, the Chair of the Corporate Governance and Human Resources Advisory Committee, and each individual Board Member. The results of the self-assessment are communicated to the Board and an action plan to address any areas of concern is developed.
- The Board maintains a skills matrix documenting the Members' core competencies, areas of expertise, education and global exposure. The Board reviews the cross-section of skills and competencies on an ongoing basis against the Bank's strategic direction, the competitive landscape, and the regulatory environment, to ensure that there is collective suitability of the Board. This skills matrix is actively employed by the Board in its succession planning and is a key tool employed by the Board as it assesses the Bank's future needs.
- The Board reviews the marketplace, international trends, emerging risks and best practice and agrees a director education framework and training schedule annually. This year the Board completed training on several topical subject matters including ESG, block chain technology, market risk and provisioning.

OUR BOARD OF DIRECTORS

Our Board of Directors is responsible for managing the business and affairs of the Bank. Our shareholders elect (or re-elect) Members of the Board at the Company's Annual Meeting and at each Annual Meeting, Directors appointed in the previous year automatically retire from the Board.

According to the articles of the Bank, the minimum number of directors who may sit on the Board is three and the maximum number is twenty. In 2022, in accordance with the Company's By Laws, the Board passed a resolution to increase its complement from twelve to thirteen. This change was made to facilitate a smooth changeover between the outgoing directors and their successors on the Board, allowing for a seamless transition of skills set. At the end of fiscal 2023, the Board comprised eleven members, eight of whom are independent, non-executive members as defined by the Central Bank Corporate Governance Guideline.

OUR BOARD COMMITTEES

To optimize its time and to ensure that the right concentration, effort and skills are channeled into the fulfilment of its mandate, the Board appoints three sub-committees, namely the Audit and Conduct Review Committee, the Corporate Governance and Human Resources Advisory Committee and the Enterprise and Credit Risk Committee. All Committee recommendations remain subject to ratification by the Bank's Board of Directors.

All Committees are chaired by and consist of a majority independent directors. The three standing Board committees are as follows:

The Audit and Conduct Review Committee

This Committee assists the Board in fulfilling its audit responsibilities by monitoring the integrity of the Bank's consolidated and quarterly financial statements, ensuring that the Bank is compliant with its legal and regulatory requirements, reviewing the Bank's system of internal controls and overseeing the integrity of the Bank's internal and external audit function.

The Bank's Chief Auditor performs an independent control function and has a direct reporting line to this Committee. As such, the Committee is tasked with overseeing the Chief Auditor's performance assessment, assesses the function's effectiveness, and determines total compensation.

This Committee reviews the external auditor's qualifications and independence, and recommends their appointment (or reappointment) annually. This Committee is also responsible for oversight of the Bank's conduct related policies and procedures, as well as transactions with connected parties.

The Enterprise and Credit Risk Management Committee

This Committee is responsible for the review of the Bank's risk profile against its risk appetite and must ensure that adequate policies and processes are in place to monitor and manage the Bank's financial and non-financial risks.

Similar to the Chief Auditor, the Bank's Chief Risk Officer performs an independent control function. That Officer has a direct reporting line to this Committee, and so the Committee oversees performance assessment, assesses function effectiveness, and determines total compensation for this function.

The Corporate Governance and Human Resources Advisory Committee

This Committee has general oversight over the Board's corporate governance framework and is responsible for recommending approval of the corporate governance practices, policies and charters to the Board.

The Committee reviews the Bank's senior management succession framework, which includes monitoring the development of individuals for key positions, including respective developmental plans, and assessing management's performance. Additionally, this Committee oversees director succession planning and leads the Board in its review and recommendation of prospective directors. This Committee ensures that new directors complete a robust and comprehensive orientation program, and that existing directors participate in ongoing director education.

The Committee sets appropriate performance standards for the Managing Director and the Bank's Senior Officers and with the input of the other two Committees, as appropriate, assesses the performance of the Managing Director and Senior Officers against the pre-set performance standards. Additionally, the Committee oversees the institutions approach to compensation, including the general criteria and design of the Bank's incentive programs and monitors and reviews executive compensation.

WHAT WE EXPECT OF OUR DIRECTORS

As a member of the Bank's Board, each Director owes a fiduciary duty to the Bank, as party of this duty of care, directors are expected to act in the best interest of the Bank at all times. This requires the principles of trust, confidence, confidentiality, and the avoidance of conflicts of interest to be at the core of our Directors' decisions and actions. These expectations are expressly set out in our suite of corporate governance policies and procedures.

Our Directors, are guided by the Scotiabank Code of Conduct and every year, each director completes an attestation agreeing to abide by the Scotiabank Code of Conduct. In fiscal 2023, the Board approved an addendum to the Code of Conduct covering Directors' Conflict of Interest recognizing the basic principle that personal interests must not be brought into conflict with their duties to the Bank nor may undisclosed opportunities or secret profits be realized by virtue of being a Director.

By agreeing to adhere to the Scotiabank Code of Conduct, our Directors are committed to the following 6 principles of the Code:

- Following the law wherever the Bank does business;
- Avoiding putting themselves or the Bank in a conflict of interest position;
- Conducting themselves with honesty and with integrity;
- Respecting confidentiality, and protecting the integrity and security of assets, communications, information and transactions;
- Treating everyone fairly, equitably and professionally; and
- Honouring our commitments to the communities in which we operate.

THE BOARD'S CORE STRATEGIC PRIORITIES

One of the primary tasks of the Board is to review the Bank's key strategic pillars and consistently challenge Management to ensure that the Bank is equipped to deliver on its performance targets. Every year, the Board participates in a Strategic Planning meeting with Management and at the commencement of each fiscal year, the Board reviews and approves an annual Profit Plan for the Bank. The Bank's performance against this Plan is reviewed every quarter through the analysis of the Bank's financial results against the projections for the period.

The Board oversees the implementation of the Bank's risk strategy, including the Bank's risk appetite framework, and also has oversight of the promotion and maintenance of a sound risk-aware culture and risk-driven values aimed at identifying financial and non-financial risks. To this end the Board will review and approve significant risk management policies and frameworks and ensure implementation of appropriate processes by management to manage applicable risks.

Apart from ensuring that risk policies are in place, the Board will challenge Management to ensure that policies are properly anchored and implemented, and that risk exposures are monitored and rigorously tested. Part of that risk management function also includes ensuring that key policies are in place to deal with funding management, liquidity management and capital management and ensuring the Bank is able to operate seamlessly in times of business disruption.

SUBSIDIARY GOVERNANCE

Our Directors also sit on the boards of our subsidiary companies, Scotia Investments Trinidad and Tobago Limited and ScotiaLife Trinidad and Tobago Limited. Each company is guided by its own Corporate Governance Policy, Board Mandate, and Committee Charters which are also reviewed annually. The corporate governance framework for the Bank's subsidiaries ensures that decisions at the Board table are independently made at all times.

APPOINTMENT, TERM, ELECTION & RETIREMENT OF DIRECTORS

All directors have a term limit of 12 years, as provided for in the Bank's Corporate Governance Policy.

As part of their forward planning and skills matrix review, the Board is always cognizant of upcoming term limits and, consequently, areas in which skills gaps may exist in the short to medium term. In some cases, the Corporate Governance Human Resources and Advisory Committee may consider it in the Bank's best interest to recommend the extension of a Director's term beyond the stipulated limit. In such a case, the Committee will consult with the Global Corporate Governance Office, deliberate on the matter and recommend the period it considers appropriate for a Director's term to be extended for the Board's approval.

DIRECTOR COMPENSATION AND SHARE OWNERSHIP

From time to time, the Corporate Governance and Human Resources Advisory Committee will consider a market survey of director compensation, and the Board will, in turn, agree the compensation structure and the remuneration applicable to the Bank's non-executive directors.

Director compensation is always capped at the aggregate amount approved by the shareholders from time to time at the Bank's Annual Meeting. The last review of the remuneration cap took place in 2022, when shareholders determined a cap of $5MM. Aggregate Director remuneration for fiscal 2023 is set out in the consolidated financial statements contained in this publication.

Consistent with customary practice, directors are entitled to be paid travelling, hotel and other expenses properly incurred by them while carrying out their Board responsibilities.

At Scotiabank, executive Directors are not separately compensated for their services in their capacity as directors.

Our Directors are encouraged to purchase shares in the Company during their tenure, subject to applicable trading laws and regulations. In our Directors' Report to shareholdings a breakdown of director share ownership is included.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE AGENDA

At Scotiabank, we take our responsibilities to our stakeholders seriously. Through our environmental, social and governance initiatives, we aim to ensure that we build trust, operate sustainably and ensure that the communities we serve are better off.

In fiscal 2023, the Bank's Corporate Governance Policy was amended to reflect the Board's oversight of ESG matters. The Board recognizes how critical ESG matters are to the execution of its mandate and its oversight of the Bank and views ESG as a shared responsibility, engaging with Management on the execution of ESG strategy, while each Committee oversees various aspects of the Bank's ESG strategy, impacts, risks, initiatives and reporting.

The Bank's approach to ESG is focused on four pillars: Environmental Action, Social Impact Initiatives, Building an Inclusive Society, and Leadership and Governance. A number of the Bank's Environmental Social and Governance initiatives are carried out under the guidance of a designated Employee Resource Group. Additionally, our commitment to ESG is reflected in our risk policies (including our credit risk policies), our funding initiatives, our governance practices and our social programs.

Apart from the Bank's own ESG initiatives, we remain proud of the work accomplished every year by the Scotiabank Trinidad and Tobago Foundation through which the Bank continues to support environmental causes, health and wellness promotion, local culture, education and sport. Our Board and our employees support our Foundation fully, and we are proud of the work we do in our communities.

A more fulsome report on our ESG initiatives may be found later in this publication.

SKILLS MATRIX – BOARD OF DIRECTORS

As a final matter, we present a condensed version of the cross section of the skills of our directors, as well as the meeting attendance records for fiscal 2023.

	David Thomas Appt: Mar.10.2020 – 62 yrs.	**Wendy Thompson** Appt: Feb.24.12 – 62 yrs.	**Lisa Mackenzie** Appt: March.8.13 – 52 yrs.	**Gayle Pazos** Appt: May.1.2021– 53 yrs.	**Steve Ragobar** Appt: April.29.15 – 68 yrs.	**Alan Fitzwilliam** Appt: Dec.4.15 – 62 yrs.	**Derek Hudson** Appt: Aug.1.16 – 67 yrs.	**Camille Chatoor** Appt: June.8.2021 – 54 yrs.	**Anya Schnoor** Appt: Oct.30.2020 – 53 yrs.	**John Hadad** Appt: Oct.30.2020 – 59 yrs.	**Anique Asher** Appt: Dec.14.2021 – 46 yrs.
Independent/Non Executive	☒	☒	☒		☒	☒	☒	☒		☒	
Key Areas of Experience											
Leadership	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Strategy Formation	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Local Market		☒	☒	☒	☒	☒	☒	☒	☒	☒	
Financial Services	☒		☒	☒		☒			☒		☒
Accounting			☒		☒						☒
Audit (Internal/External)			☒		☒			☒			☒
Risk Management	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Legal/Compliance/Regulatory		☒	☒						☒		
Finance/Treasury	☒		☒		☒	☒			☒	☒	☒
Human Resources/Executive Compensation		☒	☒			☒		☒	☒	☒	
Governance		☒	☒	☒			☒		☒		☒
Digital, Technology and Information Security									☒		
Public Policy		☒					☒				

MEETING ATTENDANCE FOR THE PERIOD 1ST NOVEMBER 2022 TO 31ST OCTOBER 2023

	Board Meeting[1]	Audit and Conduct Review Committee[2]	Enterprise and Credit Risk Management Committee[3]	Corporate Governance and Human Resources Advisory Committee[4]
No. of Meetings held	**5**	**4[5]**	**4**	**4**
Derek Hudson	100%	100%	-	100%
Wendy Fae Thompson	100%	-	75%	75%
Steve Ragobar	100%	100%	75%	-
Roxane De Freitas	100%	-	-	100%
Anique Asher	80%	100%	-	-
Anya Schnoor	100%	-	50%	0%
Lisa Mackenzie	80%	100%	-	75%
Camille Chatoor	100%	100%	-	100%
Alan Fitzwilliam	80%	-	100%	100%
John Hadad	100%	100%	75%	100%
David Thomas	100%	100%	100%	-
Gayle Pazos	100%	-	-	100%

1 Roxane De Freitas came off this Committee on 7th March, 2023, having retired from the Board on this date.

2 David Thomas became a Committee Member on 7th March, 2023.

3 Anya Schnoor came off this Committee on 7th March 2023.

4 Roxane De Freitas came off this Committee and Anya Schnoor became a Committee Member on 7th March 2023.

5 The Audit and Conduct Review Committee also held four additional meetings over the course of the fiscal year for the sole purpose of reviewing the quarterly financial statements of the Scotia Trinidad and Tobago Short Term Investment Fund, Scotia Trinidad and Tobago Fixed Income Fund and Scotia Trinidad and Tobago Growth Fund.

THE DIRECTORS' REPORT TO THE SHAREHOLDERS

for the year ended 31st October 2023



FINANCIAL RESULTS AND DIVIDENDS

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited realized Net Income after Tax of $678 million for the year ended 31st October 2023. This represented a decrease of 1% compared with prior year. Total Assets ended the period at $29.7 billion. Total loans, the Bank's largest interest earning asset, recorded at $18.6 billion, which represented a 7% increase year over year. On the basis of this performance, the Directors approved total dividend payouts totaling 280c per share for the fiscal year.

DIRECTORS

In accordance with the Company's By-Laws, the terms of Mr. Derek Hudson, Mrs. Wendy Fae Thompson, Ms. Gayle Pazos, Ms. Anya Schnoor, Mrs. Lisa Mackenzie, Mr. Steve Ragobar, Mr. Alan Fitzwilliam, Mr. David Thomas, Mr. John Hadad, Mrs. Camille Chatoor and Mrs. Anique Asher expire at the close of the next Annual Meeting of Shareholders. All of these directors, with the exception of Mrs. Thompson, offer themselves for re-election for the term from the date of their election until the close of the first Annual General Meeting following their election, subject always to earlier termination in accordance with the Company's By-Law.

The Directors wish to express their gratitude to Mrs. Thompson, who retires after 12 years of valuable and dedicated service as a Director. The Board thanks Mrs. Thompson for her contribution to the Bank, and extends best wishes to her for continued success.

The Directors are also pleased to recommend to the shareholders the appointment of Mrs. Aileen Corrigan and Ms. Amalia Maharaj to the Board of Directors.

Mrs. Corrigan is currently Digicel's Chief Business Transformation Officer, having worked with the company in various senior roles across the Group since 2008. Mrs. Corrigan is a Director of the Bank's affiliates in Jamaica - Scotiabank Group Jamaica Ltd, Scotiabank Investments Jamaica Ltd, the Bank of Nova Scotia Ltd and Scotiabank General Insurance Agency Ltd. Mrs. Corrigan has more than 25 years of multi-national experience in the digital and telecommunications sectors dealing with disciplines such as digital transformation, digital publishing, customer experience, executive management, business operations, sales, marketing, and business development for both local and multi-national companies. She is an innovative c-level executive with a portfolio of achievements including driving digital transformation, digital content, growing market share, fueling revenues, and creating a competitive edge to deliver best-in-class services for customers.

Ms. Maharaj has been a practicing attorney at law for 21 years, and is a senior partner of the firm Pollonais, Blanc, De La Bastide and Jacelon. She is the service line leader of the Corporate and Commercial Law Department of the firm. Ms. Maharaj's experience includes mergers and acquisitions, negotiating local and international capital market transactions, industrial law, civil litigation and representation of government bodies and state enterprises in commercial matters. Ms. Maharaj has served on the Boards of Agostini's Limited, InvesTT Limited, and is the former Chairperson of the Salaries Review Commission.

AUDITORS

The retiring auditors, Messrs. KPMG have expressed their willingness to be re-appointed. Messrs. KPMG are practising members of the Institute of Chartered Accountants of Trinidad and Tobago and are eligible for appointment as auditors of the Company under the rules of the said Institute.

DIRECTORS, SENIOR OFFICERS, CONNECTED PERSONS AND SUBSTANTIAL INTERESTS

We record hereunder details of the shareholdings of each Director and Officer of the Company as at the end of the Company's financial year, 31st October 2023.

Directors	Ordinary Shares
Lisa Mackenzie	5,000
Roxane De-Freitas	2,000
Wendy-Fae Thompson	500
Alan Fitzwilliam	10,000
Steve Ragobar	973
Derek Hudson	8,000
Gayle Pazos	1,000
John Hadad	2,000
Camille Chatoor	500
David Thomas	382
Anya Schnoor	-
Anique Asher	-

Senior Officers*	Ordinary Shares
Reshard Mohammed	2,078
Karen Abraham	-
Dale Khan	-
Sameer Mohammed	-
Kimi Rochard	-
Richard Edoo	-
Sasha Noel	-
Colin Hosein	-
Randal Cezair	-

*All Senior Officers of the Bank are eligible to participate in employee share ownership plans and to be shareholders of The Bank of Nova Scotia.

Scotiabank Trinidad and Tobago Limited – Top Ten Shareholders as at October 31st, 2023

Name	Shareholding	Percentage
SCOTIABANK CARIBBEAN HOLDINGS LIMITED	89,761,887	50.90%
REPUBLIC BANK LIMITED	12,096,291	6.86%
THE NATIONAL INSURANCE BOARD	11,970,742	6.79%
RBC TRUST (TRINIDAD AND TOBAGO) LIMITED	8,688,089	4.93%
TRINIDAD & TOBAGO UNIT TRUST CORP.	6,119,900	3.47%
FIRST CITIZENS ASSET MANAGEMENT LTD.	4,420,644	2.51%
GUARDIAN LIFE OF THE CARIBBEAN LTD	4,323,761	2.45%
TRINTRUST LTD	4,124,394	2.34%
TATIL LIFE ASSURANCE LTD	4,026,143	2.28%
TRUSTEE, CENTRAL BANK-PENSION FUND	1,856,248	1.05%

Total issued shares as at 31st October 2023 – 176,343,750
Total Connected Party total shareholdings as at 31st October 2023 – 615,718

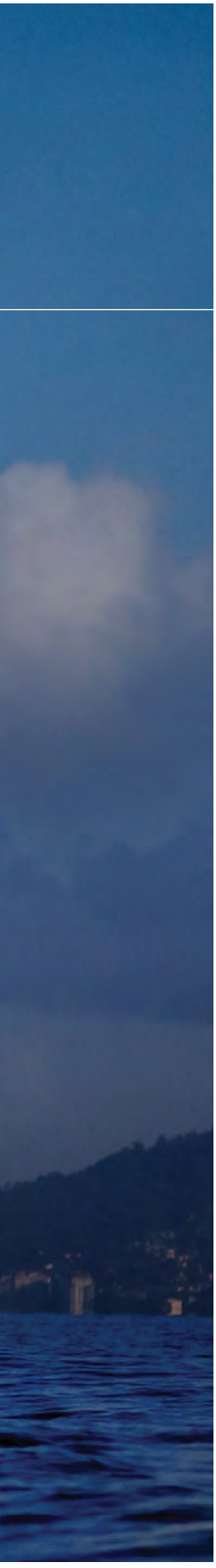
ON BEHALF OF THE BOARD

Derek Hudson
Chairman

Gayle M. Pazos
Senior Vice President and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS





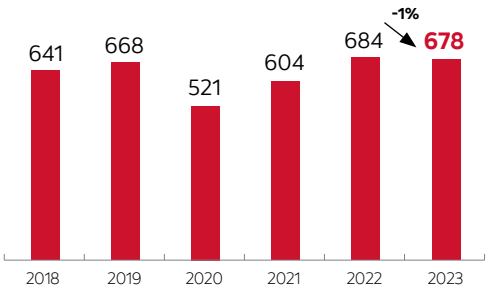
OVERVIEW

The Scotiabank Trinidad & Tobago Group ("the Group") reported Net Income After Taxation (NIAT) of $678 million for the year ended 31st October 2023, a decrease of $6 million or 1% under the comparative period in 2022. Despite the small decline in NIAT in 2023, this is the second successive year that we have posted Net Income Before Tax of over $1 billion, following a record high in 2022.

The 2023 performance was characterized by strong growth in lending activities across key segments offset by the continued impact of inflation leading to higher operating expenses coupled with changes in market conditions that adversely impacted other income.

NET INCOME

($ Millions)



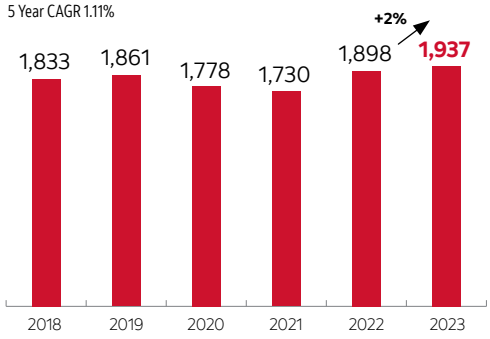
GROUP STATEMENT OF INCOME

TOTAL REVENUE

Total Revenue (comprising Net Interest Income and Other Income) for the period ended 31st October 2023 was $1.9 billion, an increase of $39 million or 2% versus the prior year.

TOTAL REVENUE

($ Millions)
5 Year CAGR 1.11%



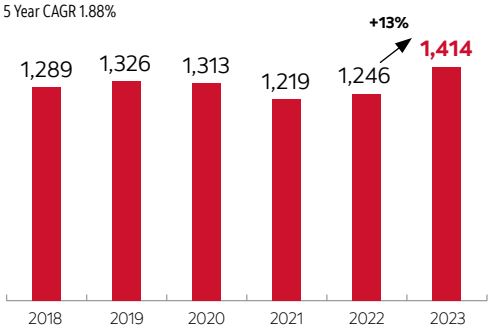
NET INTEREST INCOME

Net Interest Income for the year ended 31st October 2023 was $1,414 million, an increase of $168 million or 13% in comparison to last year. This represents our highest ever level of net interest income in our history driven by our credit expansion in both the retail and corporate/commercial segments coupled with improved net interest margins arising from higher returns on our investment portfolio.

Interest income from Loans which represents 90% of total interest income was $1,301 million, $174 million higher than fiscal 2022. Interest Income from Investment Securities of $147 million, increased by $14 million or 10% compared to the prior year as surplus liquidity was deployed into higher yielding investments and treasury bills.

NET INTEREST INCOME

($ Millions)
5 Year CAGR 1.88%



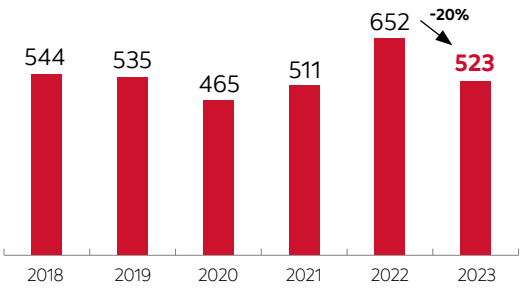
NET OTHER INCOME

Other Income comprises all income other than interest income and continues to be a significant source of earnings for the Group representing 27% of total revenue but declined from the 34% of total revenue realized in 2022.

For the year ended 31st October 2023, Other Income of $523 million decreased by 20% over prior year, primarily due to lower trading revenues aligned with changes in prevailing market conditions. We continue to see growth in our core activity lines including insurance and card revenues driven by increased activity levels on the part of our customer base.

OTHER INCOME

($ Millions)
5 Year CAGR -0.80%



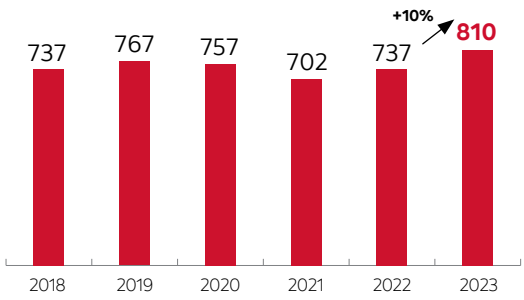
NON-INTEREST EXPENSES & OPERATING EFFICIENCY

Non-Interest Expenses (NIE) for the year ended 31st October 2023 totaled $810 million, an increase of $73 million or 10% over the prior year. The increase in NIE was driven by the impact of inflation on the cost base with increases in certain activity related costs. These related to higher volumes of transactions and increased cost of investment in technology and resources aligned to our strategic objective of enhanced digital capability.

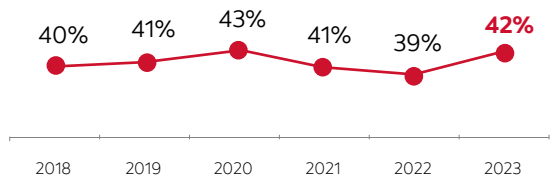
The Group's Operational Efficiency Ratio (NIE as a percentage of Total Revenue) for 2023 was 42% and remains the lowest within the local banking sector.

NON INTEREST EXPENSE

($ Millions)
5 Year CAGR 1.90%



OPERATIONAL EFFICIENCY RATIO

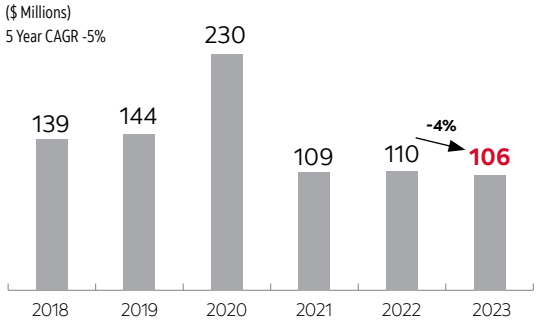


IMPAIRMENT LOSS ON FINANCIAL ASSETS & CREDIT QUALITY

Impairment loss on financial assets for the period ending 31st October 2023 was $106 million, a decrease of $4 million or 4% over prior year. We continue to adopt prudent credit risk methodology which takes into consideration various factors in the global economy and potential impacts to the local environment.

IMPAIRMENT LOSS EXPENSE

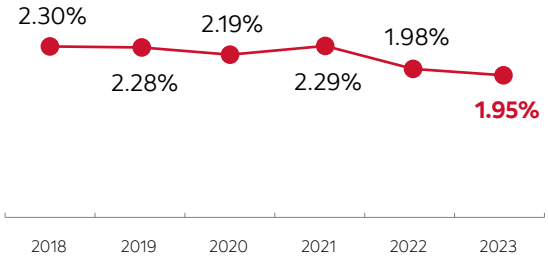
($ Millions)
5 Year CAGR -5%



Accumulated Loan Loss Provisions as at 31st October 2023 were $319 million which represent a coverage ratio of 87% on loans whose principal is deemed impaired, compared to a coverage ratio of 90% in the previous year.

Our credit quality continues to be very strong with Non-Performing Loans (NPLs) as a percentage of gross loans reducing to 1.95% as at 31st October 2023, our lowest ratio since 2015.

NPL % LOANS

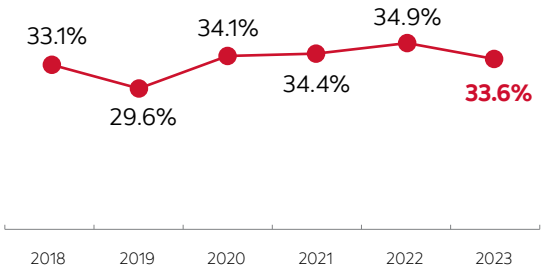


TAXATION AND EFFECTIVE TAX RATE

The tax expense for the year ending 31st October 2023 was $344 million, a decrease of $23 million or 6% over the previous period mainly due to the decrease in profit before tax. The reduction in the effective tax rate from 34.9% to 33.6% is due to change in profitability mix between companies with different tax rates.

EFFECTIVE TAX RATE

5 Year CAGR 1.7%



GROUP FINANCIAL CONDITION

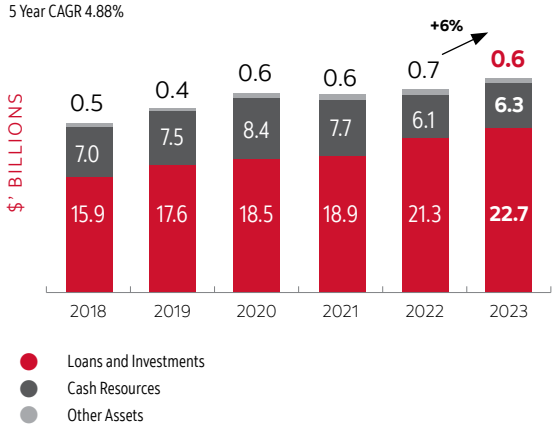
ASSETS

The Group's Total Assets as at 31st October 2023 was $29.7 billion, an increase of $1.6 billion or 6% above the prior year. The Bank's largest interest earning asset, Loans to Customers, increased by $1.3 billion or 7% compared to 2022. Investment securities and Treasury Bills stood at $6 billion, a decrease of $913 million year over year.

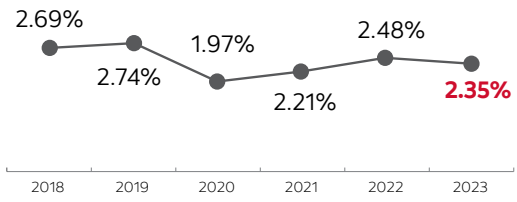
The Group continues to generate competitive Return On Assets at 2.35% (2022 – 2.48%), reflecting the effectiveness of strategies in improving profitability.

TOTAL ASSETS

($ Billions)
5 Year CAGR 4.88%



RETURN ON ASSETS

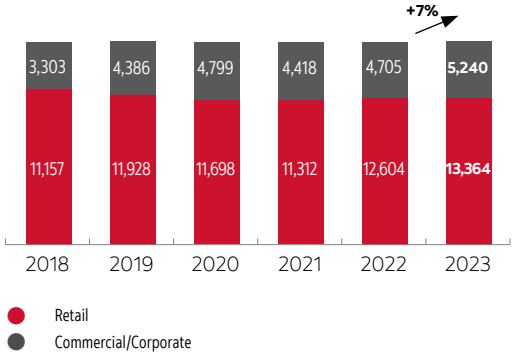


LOANS

Net Loans to customers of $18.6 billion as at 31st October 2023 represents an increase of $1.3 billion or 7% over prior year. This is the second consecutive year of growth exceeding $1 billion with solid growth seen in all business lines, Retail Banking at 6% and Commercial Banking at 6%.

LOAN PORTFOLIO

($ Millions)
5 year CAGR 5.17%



CASH RESOURCES

The Group continues to comfortably hold sufficient levels of liquidity to meet our depositors' needs and regulatory requirements. Cash and cash equivalents stood at $2.6 billion as at 31st October 2023, an increase of approximately $1 billion over the prior year while primary reserve deposits at the CBTT increased by $0.8 billion to $3.2 billion in 2023.

SECURITIES

The Group's total investment portfolio ended 2023 at $6.0 billion, a decrease of $913 million or 13% over prior year. This decrease was a result of changes due to timing of short term market conditions that saw an increase in level of short term cash resources awaiting deployment into higher yielding investment balances. During 2023, investment income increased by 10% over the prior year.

LIABILITIES

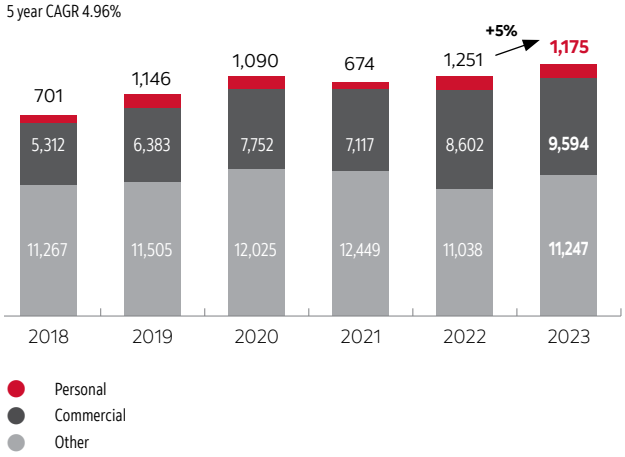
Total Liabilities were $25.2 billion as at 31st October 2023, an increase of $1.4 billion or 6% in comparison to the prior year, driven by growth in customer deposits.

DEPOSITS

Deposits as at 31st October 2023 were $22.0 billion, an increase of $1.1 billion or 5% in comparison to 2022. We continue to fund our credit expansion with a stable source of core deposits from all business lines and demonstrates our customers' continued confidence in our brand.

DEPOSIT PORTFOLIO

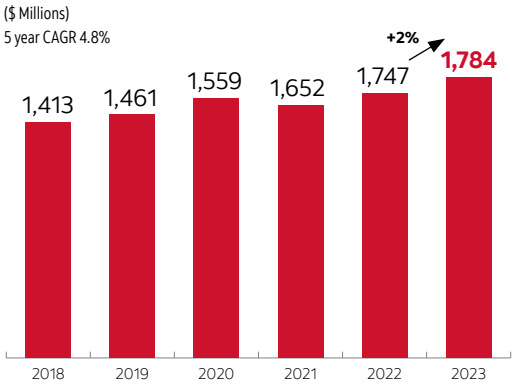
($ Millions)
5 year CAGR 4.96%



POLICYHOLDERS' FUND

The Policyholders' Funds reflect the insurance contract liabilities held at the Group's subsidiary, ScotiaLife Trinidad & Tobago Limited (corporate brand "Scotia Insurance"). This segment continues to be an important contributor to the Group as Policyholders' Funds increased by $37 million or 2% over 2022. We continue to leverage our customers' existing banking relationships to offer our products and deepen our relationships. In late 2022 we launched a new suite of products tailored to the current market environment, which was well received with new product sales accounting for nearly 50% of policy sales for 2023.

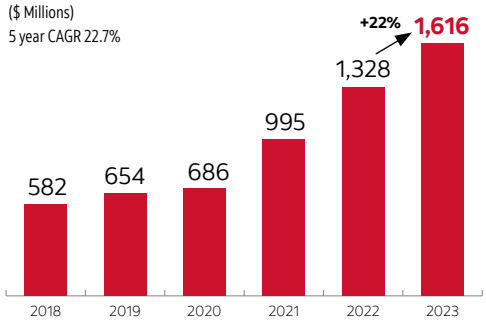
POLICYHOLDERS' FUND



WEALTH

Mutual Funds Under Management have seen good performance, registering an increase of $288 million or 33% over prior year. The most significant area of growth has been in our TTD Short Term Income Fund which has more than doubled its portfolio over the last year from $261 million to $587 million, as our customers continue to seek stable investment alternatives in the current climate.

MUTUAL FUNDS UNDER MANAGEMENT

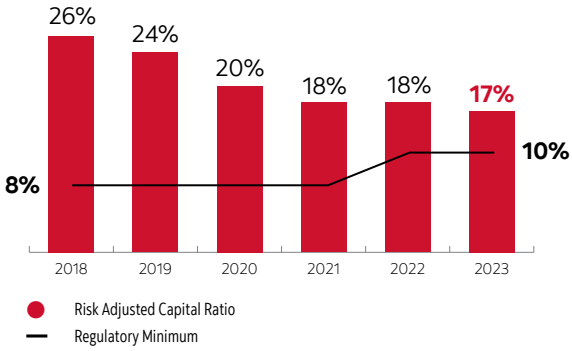


SHAREHOLDERS' EQUITY

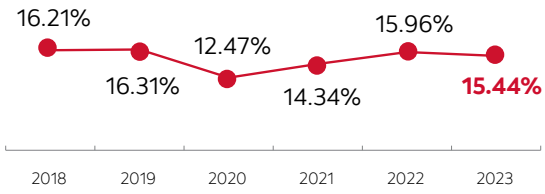
The Group maintains a strong capital base to support continued growth and investment. This capital base fosters investor confidence, while allowing the Group to take advantage of opportunities that may arise. Our risk-based Capital Adequacy Ratio for 2023 of 17.0% continues to exceed the local regulatory requirements of 10% under current Basel guidelines. This provides an adequate buffer against any unexpected shocks that could arise in these uncertain economic times.

Total Shareholders' Equity remained stable and closed the period at $4.5 billion, increasing by $155 million or 4%. Return on Equity of 15.44% continues to be industry leading in the local banking sector.

SHAREHOLDERS' EQUITY



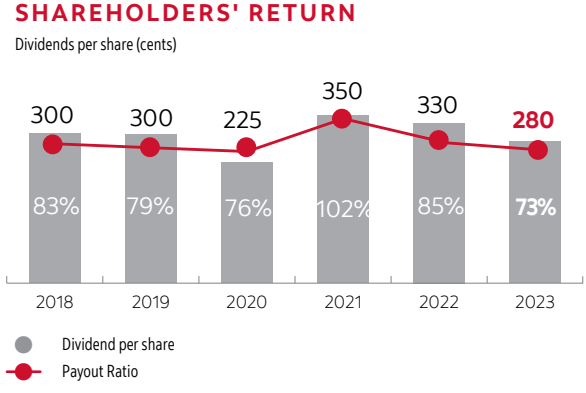
RETURN ON EQUITY



SHAREHOLDERS' RETURN

We remain focused on achieving sustainable, long-term earnings growth as well as stable dividend income streams and capital appreciation for our shareholders. In 2023, we have declared total dividends of 280 cents compared to 330 cents in prior year which is comparable to the average declaration over the last 5 years, excluding special dividends. Whilst declining over the last three years, we have retained adequate levels of capital in keeping with regulatory requirements under BASEL gudielines, our healthy dividend payout ratio of 73% illustrates our commitment to provide healthy returns to our shareholders.

SHAREHOLDERS' RETURN



CONSOLIDATED FINANCIAL STATEMENTS

of Scotiabank Trinidad and Tobago Limited

OCTOBER 31, 2023





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Statement of Management's Responsibilities Scotiabank Trinidad and Tobago Limited

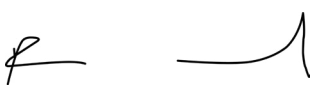
Management is responsible for the following:

- 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, 2023, 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 significant 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 the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting 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.





Reshard Mohammed
Chief Financial Officer

Date: December 14, 2023

Gayle Pazos
Managing Director

Date: December 14, 2023

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 (collectively, "the Group"), which comprise the consolidated statement of financial position as at October 31, 2023, 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 significant 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 Bank as at October 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS 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 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.

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.

Key Audit Matters (*Continued*)

(1) EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

See notes 3(e), 8 and 29 to 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 63% or $18 billion of the Group's total assets and financial investments subject to credit losses represent 13% or $3.9 billion of the Group's total assets. Allowance for credit losses on loans of $319 million and a charge of $151 million were recognised by the Group as at and for the year ended October 31, 2023.

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

Our procedures in this area included the following:

- Testing 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 Specialists:
  - Testing model validation and/or performance monitoring controls to ensure key parameters [Probability of default (PD); Loss Given Default (LGD); Exposure at Default (EAD) and Significant Increase in Credit Risk (SICR)] used in the models are appropriate and reasonable.
  - Testing management's control over the selection of macro-economic variables and assessing the reasonableness of these variables.
  - Reviewing, assessing and evaluating limitations of the models used.
  - Assessing the appropriateness of the methodology used to calculate management's qualitative adjustment overlay.
  - Testing controls over management's evaluation of actual ECL results.
- Recalculating a sample of ECL calculations for each model.
- Assessing 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.

Key Audit Matters (*Continued*)

(2) FAIR VALUE OF INVESTMENTS

See Notes 3(c) and 30 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.

Description of key audit matter

Investment securities measured at fair value represent 14% of total assets of the Group. The valuation of the Group's investments requires significant estimation, as quoted prices are not available for some of these instruments. Valuation of these investments, although based on observable inputs, involves the exercise of judgement and the use of assumptions.

Management used valuation techniques which require inputs such as market yields obtained from established yield curves.

How the matter was addressed in our audit

Our procedures in this area included the following:

- Assessing and testing the design and operating effectiveness of the Group's controls over the determination and computation of fair values.
- Involving our own Financial Risk Management Specialists to determine or obtain yields or prices of specific securities and comparing these to management's estimates.
- Assessing the adequacy of the disclosures, including the degree of estimation involved in determining fair values of investment securities.

Key Audit Matters (*Continued*)

(3) VALUATION OF POLICYHOLDERS' LIABILITIES

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

Description of key audit matter

Policyholders' liabilities represent 7% or $1.7 billion of the Group's total liabilities.

Determining the settlement value of long-term policyholders' liabilities requires significant judgment, as it involves the use of economic assumptions, such as investment returns and discount rates, morbidity and mortality assumptions, maintenance expenses, lapse and withdrawals as key inputs in estimating these actuarially determined liabilities.

The combination of assumptions and judgements increases the risk that management's estimate could be materially misstated.

How the matter was addressed in our audit

Our procedures in this area included the following:

- Assessing and testing the design and operating effectiveness of the Group's controls over the initiation of insurance products and disbursements.
- Involving our own Information Technology Audit Specialists to assess and test the controls related to the data file provided by management to the actuarial expert.
- Selecting a sample of contracts and agreeing the terms to the data file provided by management to management's actuarial expert.
- Involving our own Actuarial Specialists to assess whether the liabilities as determined by management's actuarial expert fall within a reasonable range of our expectations, the assumptions are appropriate, changes to the product features are confirmed and the actuarial valuation has been performed in accordance with accepted and commonly used actuarial systems, methodologies and practices.
- Assessing whether disclosures in the financial statements are adequate in respect of the Group's exposure to insurance risk.

Key Audit Matters *(Continued)*

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 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 Group'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 Group 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.

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.

Auditors' responsibilities for the audit of the consolidated financial Statements (*Continued*)

- 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.

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 matter 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 14, 2023

Consolidated Statement of Financial Position

For the year ended October 31, 2023
(presented in thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
		$	$
ASSETS			
Cash on hand and in transit		**187,028**	138,221
Loans and advances to banks and related companies	5	**1,090,429**	652,582
Treasury bills	6	**1,869,820**	2,933,707
Deposits with Central Bank	7	**3,193,913**	2,369,244
Loans to customers	8	**18,604,223**	17,308,959
Investment securities	9.1	**4,088,677**	3,938,192
Miscellaneous assets	10	**50,218**	64,807
Taxation recoverable		**–**	4,916
Investment in associated companies	9.2	**48,806**	43,428
Deferred tax asset	17.1	**72,345**	74,908
Property and equipment	11	**336,472**	353,262
Defined benefit pension fund asset	12.1	**111,147**	138,143
Goodwill		**2,951**	2,951
Total assets		**29,656,029**	28,023,320
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from customers	13	**22,028,144**	20,891,772
Deposits from banks	14	**6,977**	4,986
Deposits from related companies	14	**315,547**	90,293
Other liabilities	15	**752,547**	662,933
Taxation payable		**77,771**	106,541
Policyholders' funds	16	**1,783,773**	1,746,579
Post-employment medical and life benefits obligation	12.1	**193,044**	184,199
Deferred tax liabilities	17.1	**29,009**	21,997
Total liabilities		**25,186,812**	23,709,300
EQUITY			
Stated capital	18	**267,563**	267,563
Statutory reserve fund	19	**882,055**	880,100
Investment revaluation reserve		**15,282**	(29,982)
Retained earnings		**3,304,317**	3,196,339
Total equity		**4,469,217**	4,314,020
Total liabilities and equity		**29,656,029**	28,023,320

These consolidated financial statements were approved for issue by the Board of Directors on December 14, 2023 and signed on its behalf by:

Derek Hudson, Chairman

Gayle Pazos, Managing Director

The notes on pages 17 to 108 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2023 (presented in thousands of Trinidad and Tobago dollars, except earnings per share data)	Notes	2023	2022
		$	$
REVENUE			
Interest income calculated using the effective interest method	21	**1,449,770**	1,262,430
Interest expense	22	**(35,701)**	(16,170)
Net interest income		**1,414,069**	1,246,260
Other income	23	**721,344**	802,050
Fee and commission expense		**(198,202)**	(150,262)
Net other income		**523,142**	651,788
Total revenue		**1,937,211**	1,898,048
NON-INTEREST EXPENSES			
Salaries and other staff benefits		**274,369**	256,339
Premises and technology		**149,635**	136,616
Communication and marketing		**110,332**	95,092
Other expenses	24	**275,211**	249,373
Total non-interest expenses		**809,547**	737,420
Net impairment loss on financial assets	8.6	**105,891**	110,069
Profit before taxation		**1,021,773**	1,050,559
Taxation	25.1	**343,782**	366,810
Profit for the year, attributable to equity holders		**677,991**	683,749
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Re-measurement of post-employment benefits asset/obligation	12.6	**(32,911)**	3,813
Related tax	25.3	**11,519**	(1,302)
		(21,392)	2,511
Items that are or may be reclassified subsequently to profit or loss			
Remeasurement of instruments that existed throughout the year		**61,056**	(126,898)
Remeasurement of purchased Investments		**5,278**	33,706
Related tax	25.3	**(21,070)**	32,617
Net movement in fair value reserve		**45,264**	(60,575)
Other comprehensive income (loss), net of tax		**23,872**	(58,064)
Total comprehensive income, attributable to equity holders		**701,863**	625,685
Earnings per share (basic and diluted)	26	**384.5¢**	387.7¢

The notes on pages 17 to 108 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended October 31, 2023
(presented in thousands of Trinidad and Tobago dollars)

	Notes	Stated Capital	Statutory Reserve Fund	Investment Revaluation Reserve	Retained Earnings	Total Equity
		$	$	$	$	$
Balance as at October 31, 2021		**267,563**	**815,100**	**30,593**	**3,130,562**	**4,243,818**
Profit for the year		-	-	-	683,749	683,749
Other comprehensive income, net of tax						
Remeasurement of post-employment benefits asset/obligation	25.3	-	-	-	2,511	2,511
Fair value re-measurement of FVOCI debt instruments	25.3	-	-	(60,575)	-	(60,575)
Total comprehensive income		-	-	(60,575)	686,260	625,685
Transactions with equity owners of Scotiabank						
Transfer to statutory reserve	19	-	65,000	-	(65,000)	-
Dividends paid	20.2	-	-	-	(555,483)	(555,483)
		-	65,000	-	(620,483)	(555,483)
Balance as at October 31, 2022		**267,563**	**880,100**	**(29,982)**	**3,196,339**	**4,314,020**
Balance as at October 31, 2022		**267,563**	**880,100**	**(29,982)**	**3,196,339**	**4,314,020**
Profit for the year		-	-	-	677,991	677,991
Other comprehensive income, net of tax						
Remeasurement of post-employment benefits asset/obligation	25.3	-	-	-	(21,392)	(21,392)
Fair value remeasurement of FVOCI debt instruments	25.3	-	-	45,264	-	45,264
Total comprehensive income		-	-	45,264	656,599	701,863
Transactions with equity owners of Scotiabank						
Transfer to statutory reserve	19	-	1,955	-	(1,955)	-
Dividends paid	20.2	-	-	-	(546,666)	(546,666)
		-	1,955	-	(548,621)	(546,666)
Balance as at October 31, 2023		**267,563**	**882,055**	**15,282**	**3,304,317**	**4,469,217**

The notes on pages 17 to 108 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended October 31, 2023
(presented in thousands of Trinidad and Tobago dollars)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		**$**	$
Profit for the year		**677,991**	683,749
Adjustments for:			
- Interest income		**(1,449,770)**	(1,262,430)
- Interest expense		**35,701**	16,170
- Depreciation	11	**32,399**	32,665
- Share of profit of associated company		**(5,378)**	(2,395)
- (Gain)/loss on disposal of property and equipment		**(4,017)**	7,376
- Unrealised loss on equity investments		**16,432**	–
- Tax expense	25.1	**343,782**	366,810
- Net impairment loss on financial assets	8.6	**105,891**	110,069
Changes in:			
- Primary reserve deposits with Central Bank		**(65,279)**	(110,530)
- Net pension cost	12.5	**10,422**	10,671
- Policyholders' funds		**37,194**	94,640
- Loans to customers		**(1,460,016)**	(1,733,537)
- Miscellaneous assets		**14,589**	(47,560)
- Deposits from customers		**1,124,999**	570,004
- Deposits from banks and related companies		**227,245**	(47,457)
- Other liabilities		**89,614**	158,194
Interest received		**1,595,798**	1,304,611
Interest paid		**(30,091)**	(17,034)
Taxation paid		**(370,403)**	(338,798)
Net cash generated from / (used in) operating activities		**927,103**	(204,782)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Treasury Bills		**(3,771,331)**	(2,674,002)
Proceeds from redemption of Treasury Bills		**4,592,294**	3,707,686
Purchase of investment securities		**(687,023)**	(7,031,377)
Proceeds from redemption of investment securities		**455,982**	5,358,855
Purchase of property and equipment	11	**(12,563)**	(20,703)
Net cash generated from (used in) investing activities		**577,359**	(659,541)

For the year ended October 31, 2023	Notes	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		**$**	$
Payment of lease liabilities	27	**(19,281)**	(17,785)
Dividends paid	20.2	**(546,666)**	(555,483)
Net cash used in financing activities		**(565,947)**	(573,268)
Increase / (Decrease) in cash and cash equivalents		**938,515**	(1,437,591)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**1,671,633**	3,109,224
CASH AND CASH EQUIVALENTS, END OF YEAR		**2,610,148**	1,671,633
CASH AND CASH EQUIVALENTS REPRESENTED BY			
Cash on hand and in transit		**187,028**	138,221
Loans and advances to banks and related companies	5	**1,090,429**	652,582
Surplus deposits with Central Bank	7	**795,000**	35,610
Treasury bills with original maturity date not exceeding 3 months	6	**537,691**	845,220
		2,610,148	1,671,633

The notes on pages 17 to 108 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

October 31, 2023 ($ thousands)

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). The Group's ultimate parent company is The Bank of Nova Scotia, which is incorporated and domiciled in Canada. The Group has interests 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 companies		
InfoLink Services Limited	Republic of Trinidad and Tobago	25%

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

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 subsidiaries operate. The supervisory frameworks require subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios. In respect of the subsidiaries that are regulated by the Central Bank of Trinidad and Tobago, the carrying amounts of assets are $29.7 billion (2022: $28.1 billion) and liabilities $25.2 billion (2022: $23.7 billion).

These consolidated financial statements were authorised for issue by Scotiabank's Board of Directors on December 14, 2023.

2. BASIS OF PREPARATION

(a) Basis of accounting

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

2. Basis of Preparation (*Continued*)

(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);
- financial assets measured at fair value through other comprehensive income (FVOCI);
- investments in equity-accounted investees measured using the equity method;
- net defined benefit asset (obligation) is recognised at fair value of plan assets, adjusted by re-measurements through other comprehensive income (OCI), less the present value of the defined benefit obligation adjusted by experience gains (losses) on revaluation, limited as explained in Note 3(j) and Note 12; and
- policyholders' funds calculated using the Caribbean Policy Premium Method of valuation.

(c) Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is Scotiabank's functional currency, rounded to the nearest thousand.

(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 Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an 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. Business combinations, except for transactions between entities under common control, are accounted for using the acquisition method of accounting when control is transferred to the Group. Common control transactions are recorded at book value.

(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 whereby the Group's share of their results is included in that of the Group and added to the carrying value of the respective investments.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all periods presented in the consolidated financial statements, except for those changes described in Note 3(t), and are set out below:

(a) Revenue recognition

Interest income and expense

Effective interest rate

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 receipts 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 and fees and points paid or received that are incremental and directly attributable to the acquisition of the financial instrument.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

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 when the transaction takes place.

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 when the card transaction takes place.

Credit fees

Transaction based credit fees are recognized when the transaction takes place. Loan origination fees are recognized over the term of the loan unless immaterial.

Net premium income

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

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 as 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.

3. Significant 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 rate 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 in respect of which on initial recognition an election has been made to present subsequent changes in fair value in OCI are recognised in OCI.

(c) Financial assets and financial liabilities

Financial instruments carried on the consolidated statement of financial position include cash resources, loans and advances to banks and related companies, investment securities including treasury bills, loans and leases to customers, deposits from customers, deposits from banks and related companies and policyholders' funds. The standard treatment for recognition, de-recognition, classification and measurement of the Group's financial instruments is set out below in notes (i) – (iv), whilst additional information on specific categories of the Group's financial instruments is disclosed in notes 3(d), 3(e), 3(g), 3(k), 3(m) and 3(p).

(i) Recognition

The Group initially 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 into the following categories: fair value through profit or loss (FVTPL); fair value through other comprehensive income (FVOCI) and 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.

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 reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of a business model, the Group takes into consideration the following factors:

- How the performance of assets in a portfolio is evaluated and reported to group heads and other key decision makers within the Group's business lines;
- How compensation is determined for the Group's business lines' management that manages the assets;
- Whether the assets are held for trading purposes i.e., assets that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking;

- The risks that affect the performance of assets held within a business model and how those risks are managed; and
- The frequency and volume of sales in prior periods and expectations about future sales activity.

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. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

If the Group identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified 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 for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost.

Impairment on debt instruments measured at amortised cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortised cost are presented net of the allowance for credit losses (ACL) in the statement of financial position.

Debt instruments measured at FVOCI

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

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The ACL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the consolidated statement of financial position, 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 net 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.

Equity instruments measured at FVOCI

At initial recognition, there is an irrevocable option for the Group to classify non-trading equity instruments at FVOCI. This election is used for equity investments held for strategic or longer term investment purposes.

This election is made on an instrument-by-instrument basis and is not available for equity instruments that are held for trading purposes.

Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to profit or loss. As such, there is no specific impairment requirement. Dividends received are recorded in other income in profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earning on disposal of an investment.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and undrawn loan commitments, as measured at amortised cost or fair value through profit or loss (FVTPL).

Subsequent to initial recognition all non-trading financial liabilities are 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. 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, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, excluding equity instruments measured at FVOCI, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of:

(i) the consideration received (including any new asset obtained less any new liability assumed); and

(ii) any cumulative gain or loss that had been 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 and the net amount presented in the consolidated statement of financial position when, and 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, or for gains and losses arising from a group of similar transactions.

(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. The carrying values approximate the fair value due to their highly liquid nature and the fact that they are readily converted to known amounts of cash and are subject to insignificant risk of change in value.

3. Significant Accounting Policies (*Continued*)

(e) Impairment of financial assets

The Group applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for the following categories of financial instruments that are not measured at fair value through profit or loss:

- 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 instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

(ii) Measurement of expected credit loss

The probability of default (PD), exposure at default (EAD), 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. Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

(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 date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

3. Significant Accounting Policies / **(e) Impairment of financial assets** (*Continued*)

(v) Multiple forward-looking scenarios

The Group determines its allowance for credit losses using three probability-weighted forward-looking scenarios. The Group considers both internal and external sources of information and data in order to achieve unbiased projections and forecasts. The Group prepares the scenarios using forecasts generated by Scotiabank Economics (SE). 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 as well as a representative range of other possible forecast scenarios. 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. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables, credit risk, and credit losses.

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

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment 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. With regards to delinquency and monitoring, there is a 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 – For retail exposures, a significant increase in credit risk cannot be assessed using forward looking information at an individual account level. Therefore, the assessment must be done at the segment level. Segment migration thresholds exist for each PD model by product which considers the proportionate change in PD as well as the absolute change in PD. The thresholds used for PD migration are reviewed and assessed at least annually, unless there is a significant change in credit risk management practices in which case the review is brought forward.

Non-retail portfolio – The Group uses a risk rating scale (IG codes) for its non-retail exposures. All non-retail exposures have an IG code assigned that reflects the probability of default of the borrower. Both borrower specific and non-borrower specific (i.e. 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.

(vii) Expected life

When measuring expected credit loss, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and 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.

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

- 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.

(ix) Modified financial assets

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the existing financial asset should be derecognized. Where a modification does not result in derecognition, the date of origination continues to be used to determine SICR. Where a modification results in derecognition, the new financial asset is recognized at its fair value on the modification date. The modification date is also the date of origination for this new asset.

The Group may modify the contractual terms of loans for either commercial or credit reasons. The terms of a loan in good standing may be modified for commercial reasons to provide competitive pricing to borrowers. Loans are also modified for credit reasons where the contractual terms are modified to grant a concession to a borrower that may be experiencing financial difficulty.

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.

For all loans, performing and credit-impaired, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the provision for credit losses line in profit or loss.

(x) Definition of default

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- 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;
- 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.

(xi) Write-off policy

The Group writes off 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 after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. Credit card receivables over a specified period past due are written-off. In subsequent periods, any recoveries of amounts previously written-off are credited to the provision for credit losses in profit or loss.

(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.

Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

(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.

(iii) Depreciation

Depreciation and amortisation are provided, on the straight-line basis, 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

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

The Group recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. An ROU asset represents a lessee's right to use an underlying asset for the lease term. The ROU asset is initially measured at cost, which is based on the initial amount of the lease liability, and any 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 and accumulated impairment losses, if any. The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The depreciation is recorded in the cost of Premises and Technology in the statement of profit and loss and other comprehensive income. In addition, the ROU asset is adjusted for certain re-measurements of the lease liability.

At commencement date, 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. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

(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 will be "reasonably certain" to exercise a lease option when factors create a significant economic incentive to do so. This assessment requires a significant level of judgement as it is based on current expectations of future decisions. The Group considers the following criteria when determining whether it has an economic incentive that makes it reasonably certain to exercise an 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 all 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 Bank is able to control the timing of the reversal of the temporary difference, and it is probable 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.

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in the tax rate is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

In determining the amount of current and deferred tax, Scotiabank considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes Scotiabank to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact income tax expense in the period in which such a determination is made.

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.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used.

(i) Policyholders' funds

Provision for future policy benefits are calculated using the Caribbean Policy Premium Method of valuation. Under this method, explicit allowance is made for all future benefits and expenses under the policies. The premiums, benefits and expenses for each policy are projected and the resultant future cash flows are discounted back to the valuation date to determine the reserves.

The process of calculating policy reserves necessarily involves the use of estimates concerning such factors as mortality and morbidity rates, future investment yields and future expense levels. Consequently, these liabilities include reasonable provisions for adverse deviations from the estimates. An actuarial valuation is prepared monthly. Any adjustment to the reserve is reflected in the year to which it relates.

(j) 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.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: short-term employee benefits are recognised as a liability, net of payments made, and charged as an expense. Post-employment benefits are accounted for as described below.

(ii) Post-employment

Independent qualified actuaries carried out a valuation of the Group's significant post-employment benefits as at October 31, 2023. The next valuation is due as at October 31, 2024.

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. 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.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) during the period as a result of 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 service will be earned for the Group's employees. This new plan is non-contributory but additional voluntary contributions are to be permitted. The total contributions paid for the year ended October 31, 2023 were $19.4 million (2022: $18.7 million).

Other post-employment benefits

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 the completion of a minimum service period. The method of accounting used to recognise the liability is similar to that for the defined benefit plan.

(k) 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 have been excluded from these separate financial statements because they do not meet the criteria for recognition. However, fee and commission income on these facilities are recognised in these separate financial statements.

(l) Assets under administration and management

Assets that are not beneficially owned by the Group, but are under its administration, have been excluded from these consolidated financial statements. Assets under administration as at October 31, 2023 totaled $4.56 billion (2022: $4.28 billion).

(m) Deposit liabilities

Deposits from customers are the Group's source of funds. Deposits are initially measured at fair value and subsequently measured at their amortised cost using the effective interest method.

(n) 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 not shown as a liability on the consolidated statement of financial position but are disclosed as a note to these consolidated financial statements.

(o) 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.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in Profit or Loss.

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.

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.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Insurance contracts – recognition and measurement

Insurance contracts

These contracts insure human life events (for example, death or permanent disability) over a long duration. The accounting treatment differs according to whether the contract bears investment options or not. Under contracts that do not bear investment options, premiums are recognised as income when they become payable by the contract holder and benefits are recorded as an expense when they are incurred.

Under contracts that bear an investment option, insurance premiums received are initially recognised directly as liabilities. These liabilities are increased by credited interest and are decreased by policy administration fees, mortality and surrender charges and any withdrawals; the resulting liability is included in the Provision for Future Policy Benefits and Other Policyholders' Liabilities which are disclosed in Note 16. Income consists of fees deducted for mortality, policy administration, and surrenders.

Insurance contract liabilities are determined by an independent actuary using the Caribbean Policy Premium Method of valuation as discussed in accounting policy 3(i). These liabilities are, on valuation, adjusted through profit or loss to reflect the valuation determined under the Caribbean Policy Premium Method.

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance contracts held

The Group assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for financial assets. These processes are described in accounting policy 3(e).

(q) Insurance and investment contracts – classification

The Group issues policy contracts that transfer insurance and/or financial risk from the policyholder. Insurance risk is defined as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernable effect on the economics of the transaction. Insurance contracts transfer insurance risk and may also transfer financial risk. Investment contracts transfer financial risk and no insurance risk. Financial risk includes credit risk, liquidity risk and market risk.

(r) 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. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(s) Provisions

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

3. Significant Accounting Policies (*Continued*)

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 so that the obligatory event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

(t) 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. The Group has assessed them and has adopted those which are relevant to its financial statements:

The following new and amended standards came into effect the during the current financial year, none of which had any significant impact on these consolidated financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

(u) 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 January 1, 2023. The Group has not early-adopted any of them and therefore they have not been applied in preparing these consolidated financial statements. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.
- Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities provide accounting policy disclosures based on materiality.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- Amendments to IAS 12 Income Taxes are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.
- Amendments to IFRS 16 Leases will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.
- IFRS 17, Insurance Contracts, which is effective for annual reporting periods beginning on or after January 1, 2023, provides a comprehensive principle-based framework for the measurement and presentation of all insurance contracts. The new standard replaces IFRS 4 Insurance Contracts and requires insurance contracts to be measured at their current fulfilment value, using one of three measurement models, depending on the nature of the contract. IFRS 17 introduces three measurement models: the general model, the premium allocation approach, and the variable fee approach.
- Amendments to IFRS 17 Insurance Contracts, effective for annual reporting periods beginning on or after January 1, 2023.

The Group will disclose its assessment of the impact of adopting IFRS 17 in its 2024 financial statements. The Group does not expect the adoption of other new, revised and amended standards to have a significant impact on its financial statements.

3. Significant Accounting Policies (*Continued*)

(v) 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

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements are described below:

(i) Classification of financial assets

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.

(ii) Determination of control over investees

Factors considered in the determination of control are set out in accounting policy 2(d).

(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, 2023 is included below:

(i) Allowances for credit losses

The Group's allowance calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs. Some of the key drivers include the following:

- Changes in risk ratings of the borrower or instrument reflecting changes in their credit quality;
- Changes in the volumes of transactions;
- Changes in the forward-looking macroeconomic environment reflected in the variables used in the models such as GDP growth, unemployment rates, commodity prices, and house price indices, which are most closely related with credit losses in the relevant portfolio;
- Changes in macroeconomic scenarios and the probability weights assigned to each scenario; and
- Borrower migration between the three stages which can result from changes to any of the above inputs and assumptions.

(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). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

4. Use of judgements and estimates (*Continued*)

(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 12.9.

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

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the appointed actuary. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. 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. The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums.

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.

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

	2023	2022
	$	$
Interest rates decrease by 1%	**607**	1,466
Interest rates increase by 1%	**(1,384)**	(478)
Mortality increases by 10%	**17,131**	15,895
Mortality decreases by 10%	**(17,912)**	(16,684)
Expenses increase by 10%	**9,354**	7,739
Expenses decrease by 10%	**(9,328)**	(7,678)
Lapses and withdrawals increase by 10%	**21,601**	16,923
Lapses and withdrawals decrease by 10%	**(24,766)**	(19,174)

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.

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.

For long-term contracts with fixed and guaranteed terms, estimates are made in two stages. Estimates of future deaths, voluntary terminations and partial withdrawal of policy funds, investment returns and administration expenses are made at the inception of the contract and form the assumptions used for calculating the liabilities at the inception of the contract.

A margin of risk and uncertainty is added to these assumptions. New estimates are made each subsequent year based on updated experience studies and updated economic forecasts. The valuation assumptions are altered to reflect these revised best estimate assumptions. The margins for risk and uncertainty may also be altered if the underlying level of uncertainty in the updated assumption has changed. The financial impact of revisions to best estimate assumptions or the related margins is recognised in the accounting period in which the change is made.

5. LOANS AND ADVANCES TO BANKS AND RELATED COMPANIES

	2023	2022
	$	$
Due from related companies	**84,669**	47,400
Due from other banks	**909,302**	511,255
Cheques and other instruments in the course of clearing	**96,568**	94,027
	1,090,539	652,682
Allowance for credit losses	**(110)**	(100)
	1,090,429	652,582
Maturity of assets		
Assets with original maturity date less than 3 months	**1,090,429**	652,582
Analysis of movement in loss allowance		
Allowance, beginning of year	**100**	18
Impairment charge for the year (Note 8.6)	**10**	82
Allowance, end of year	**110**	100

6. TREASURY BILLS

Government of Trinidad and Tobago	**1,163,621**	1,825,377
Government of United States of America	**681,257**	1,032,659
Government of Canada	**24,942**	75,671
	1,869,820	2,933,707
Maturity of Assets		
Assets with original maturity date over 3 months	**1,332,129**	2,088,487
Assets with original maturity date less than 3 months	**537,691**	845,220

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 14% (2022: 14%) of total prescribed liabilities in the Primary reserve.

	2023	2022
	$	$
Primary reserve	**2,398,913**	2,333,634
Surplus deposits	**795,000**	35,610
	3,193,913	2,369,244

8. LOANS TO CUSTOMERS

Loans to customers	**18,848,587**	17,540,402
Interest receivable	**75,039**	79,916
Allowance for credit losses	**(319,403)**	(311,359)
Total loans to customers	**18,604,223**	17,308,959

8. Loans to Customers (*Continued*)

8.1 LOANS TO CUSTOMERS

	2023			
	Gross loans	ECL allowance	Interest receivable	Carrying amount
	$	$	$	$
Loans to customers				
Commercial loans	5,242,071	23,193	(23,210)	5,242,054
Retail loans	13,606,516	51,846	(296,193)	13,362,169
	18,848,587	**75,039**	**(319,403)**	**18,604,223**

	2022			
	Gross loans	ECL allowance	Interest receivable	Carrying amount
	$	$	$	$
Loans to customers				
Commercial loans	4,700,103	21,414	(16,707)	4,704,810
Retail loans	12,840,299	58,502	(294,652)	12,604,149
	17,540,402	**79,916**	**(311,359)**	**17,308,959**

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.

	2023	2022
	$	$
Mortgages – residential	**8,401,575**	7,927,424
Mortgages – commercial	**147,887**	175,737
Consumer	**5,200,849**	4,511,694
Energy and petrochemical	**1,066,302**	1,105,882
Construction and engineering	**1,006,146**	1,205,406
Distributive trades	**996,571**	903,495
Communication and transport	**25,087**	38,279
Manufacturing and assembly	**559,837**	730,481
Financial services	**16,900**	63,446
Business and personal services	**1,409,149**	859,466
Hospitality industry	**15,808**	15,177
Agriculture	**2,476**	3,915
	18,848,587	17,540,402

8. Loans to Customers (*Continued*)

8.3 IMPAIRED LOANS

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

	2023		
	Gross impaired loans	Allowance for credit losses	Net
	$	$	$
Loans to customers			
Commercial loans	37,158	(12,287)	24,871
Retail loans	330,299	(78,159)	252,140
	367,457	(90,446)	277,011

	2022		
	Gross impaired loans	Allowance for credit losses	Net
	$	$	$
Loans to customers			
Commercial loans	59,764	(12,031)	47,733
Retail loans	263,868	(84,515)	179,353
	323,632	(96,546)	227,086

8.4 ALLOWANCE FOR CREDIT LOSSES

	2023			
	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
Loans to customers				
Commercial loans	(7,694)	(3,229)	(12,287)	(23,210)
Retail loans	(78,091)	(139,943)	(78,159)	(296,193)
	(85,785)	(143,172)	(90,446)	(319,403)

	2022			
	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
Loans to customers				
Commercial loans	(159)	(4,517)	(12,031)	(16,707)
Retail loans	(64,934)	(145,203)	(84,515)	(294,652)
	(65,093)	(149,720)	(96,546)	(311,359)

8. Loans to Customers (*Continued*)

8.5 ANALYSIS OF MOVEMENT OF ALLOWANCE FOR CREDIT LOSSES

	2023	2022
	$	$
Allowance, beginning of year	**311,359**	308,081
Impairment charge for the year	**151,832**	171,813
Write-offs	**(143,788)**	(168,535)
Net (decrease) increase in allowance for credit losses	**8,044**	3,278
Allowance, end of year	**319,403**	311,359

8.6 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

Impairment charge for the year:		
- Loans to customers (Note 8.5)	**151,832**	171,813
- Undrawn credit commitments (Note 15)	**936**	2,071
- Loans and advances to banks and related companies (Note 5)	**10**	82
- Debt investments at FVOCI	**426**	2,417
Recoveries	**(47,313)**	(66,314)
Total	**105,891**	110,069

9.1 INVESTMENT SECURITIES

Debt instruments measured at FVOCI:		
- Government and state owned enterprises debt securities	**3,577,724**	3,484,723
- Corporate debt securities	**312,332**	307,626
	3,890,056	3,792,349
Debt instruments measured at amortised cost:		
- Government and state owned enterprises debt securities	**22,000**	22,000
- Allowance for impairment	**(2)**	(2)
	21,998	21,998
Equity instruments designated as FVOCI:		
- Unlisted equity securities (Note 9.3)	**3,773**	10,734
Equity instruments measured at FVTPL:		
- Listed equity securities and mutual funds	**133,495**	73,526
Interest receivable	**39,355**	39,585
Total investment securities	**4,088,677**	3,938,192
Analysis of movement in loss allowance of debt instruments measured at amortised cost		
Allowance, beginning and end of year	**2**	2

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

9.2 INVESTMENT IN ASSOCIATED COMPANIES

The following table summarises the financial information in respect of the Group's associated companies as per the unaudited financial statements of Infolink for the year ended September 30, 2023. The table also reconciles the summarised financial information to the carrying amount of the Group's investment in associated companies.

	2023	2022
Infolink	**$**	$
Total assets	**207,171**	180,061
Total liabilities	**(11,949)**	(6,349)
Net assets	**195,222**	173,712
Group's share of net assets (25%)	**48,806**	43,428
Revenue	**37,705**	28,205
Net income	**21,512**	9,581
Group's share of net income (25%)	**5,378**	2,395

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 investments are expected to be held for the long term for strategic purposes.

	Number of units	Fair value at October 31, 2023
	$	**$**
Investment in Trinidad and Tobago Stock exchange	**56,000**	**3,773**

	Number of units	Fair value at October 31, 2022
	$	**$**
Investment in Trinidad and Tobago Stock exchange	**166,400**	**10,734**

During the year ended October 31, 2023, the Bank sold 110,400 units of equity securities FVOCI (2022: NIL). The change in fair value on these investments was $297,000 for the year ended October 31, 2023 (2022: $686,000). No dividend income was recognised for the years ended October 31, 2023 and 2022.

10. MISCELLANEOUS ASSETS

	2023	2022
	$	$
Accounts receivable and prepayments	**21,377**	10,109
Clearing items in transit	**11,123**	42,903
*Other assets	**17,718**	11,795
	50,218	64,807

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

11. PROPERTY AND EQUIPMENT

	Land	Buildings	Leasehold Improvements	Equipment & Furniture	Capital Work in Progress	Total
	$	$	$	$	$	$
October 31, 2023						
Cost						
At beginning of year	16,396	313,726	62,532	271,834	8,861	673,349
Additions	-	10	2,385	9,159	1,009	12,563
Remeasurement of right of use assets	-	13,590	-	-	-	13,590
Disposals/transfers	(1,039)	(4,551)	-	(2,456)	(4,125)	(12,171)
At end of year	**15,357**	**322,775**	**64,917**	**278,537**	**5,745**	**687,331**
Accumulated depreciation						
At beginning of year	-	102,640	16,510	200,937	-	320,087
Charge for year	-	15,233	1,328	15,838	-	32,399
Disposals	-	-	-	(1,627)	-	(1,627)
At end of year	-	117,873	17,838	215,148	-	350,859
Net book value	**15,357**	**204,902**	**47,079**	**63,389**	**5,745**	**336,472**

As at October 31, 2023, property and equipment includes right-of-use assets of $109 million (2022: $110 million) related to leased branches and office premises.

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.

	Land	Buildings	Leasehold Improvements	Equipment & Furniture	Capital Work in Progress	Total
	$	$	$	$	$	$
October 31, 2022						
Cost						
At beginning of year	16,396	300,845	64,959	267,513	6,960	656,673
Additions	-	38	1,582	15,571	3,512	20,703
Adjustments to right of use assets	-	12,843	-	-	-	12,843
Disposals/transfers	-	-	(4,009)	(11,250)	(1,611)	(16,870)
At end of year	**16,396**	**313,726**	**62,532**	**271,834**	**8,861**	**673,349**
Accumulated depreciation						
At beginning of year	-	87,673	15,295	194,186	-	297,154
Charge for year	-	14,967	1,287	16,411	-	32,665
Disposals	-	-	(72)	(9,660)	-	(9,732)
At end of year	-	102,640	16,510	200,937	-	320,087
Net book value	**16,396**	**211,086**	**46,022**	**70,897**	**8,861**	**353,262**

12. DEFINED BENEFIT PENSION FUND AND OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS

The Group maintains to a 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 the Group 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 its defined benefit pension fund 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. Members will earn benefits on a defined contribution basis from this date.

The Group 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 service completed 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 when it reduces to 50% of salary.

12.1 AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION ARE AS FOLLOWS:

	Defined Benefit Pension Fund		Post-Employment Medical and Life Benefits	
	2023	2022	**2023**	2022
	$	$	**$**	$
Defined benefit obligation	**(771,855)**	(764,339)	**(193,044)**	(184,199)
Fair value of plan assets	**883,002**	902,482	**-**	-
Net asset (liability)	**111,147**	138,143	**(193,044)**	(184,199)

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

12.2 RECONCILIATION OF CHANGE IN DEFINED BENEFIT OBLIGATION:

	Defined Benefit Pension Fund		Post-Employment Medical and Life Benefits	
	2023	2022	**2023**	2022
	$	$	**$**	$
Defined benefit obligation at beginning of year	**(764,339)**	(804,157)	**(184,199)**	(175,485)
Current service cost	**-**	-	**(7,884)**	(8,215)
Interest cost	**(44,798)**	(45,214)	**(10,827)**	(9,904)
Transferred-in DC balances	**(183)**	(326)	**-**	-
Experience adjustments	**2,236**	19,246	**(368)**	(935)
Actuarial gains	**-**	30,114	**2,742**	3,569
Benefits paid	**35,229**	35,998	**7,492**	6,771
Defined benefit obligation at end of year	**(771,855)**	(764,339)	**(193,044)**	(184,199)

12.3 RECONCILIATION OF THE FAIR VALUE OF PLAN ASSETS:

	Defined Benefit Pension Fund	
	2023	2022
	$	$
Plan assets at beginning of year	**902,482**	933,674
Interest income	**53,087**	52,661
Loss on plan assets (excluding interest income)	**(37,552)**	(48,241)
Benefits paid	**(35,229)**	(35,998)
Transferred-in DC balances	**214**	**386**
Plan assets at end of year	**883,002**	902,482

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

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

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	
	2023	2022	**2023**	2022
	$	$	**$**	$
Opening defined benefit (liability)	**138,143**	129,516	**(184,199)**	(175,485)
Net pension (costs)	**8,289**	7,448	**(18,711)**	(18,119)
Remeasurement recognised in other comprehensive income	**(35,285)**	1,179	**2,374**	2,634
Benefits paid	**-**	-	**7,492**	6,771
Closing defined benefit asset (liability)	**111,147**	138,143	**(193,044)**	(184,199)

12.5 THE AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS COMPRISED:

	Defined Benefit Pension Fund		Post-Employment Medical and Life Benefits	
	2023	2022	**2023**	2022
	$	$	**$**	$
Current service cost	**-**	-	**(7,884)**	(8,215)
Net interest on net defined benefit asset (liability)	**8,289**	7,448	**(10,827)**	(9,904)
Administration expenses	**-**	-	**-**	-
Net pension cost	**8,289**	7,448	**(18,711)**	(18,119)

12.6 THE AMOUNT RECOGNISED IN OTHER COMPREHENSIVE INCOME COMPRISED:

	Remeasurements Recognised in Other Comprehensive Income	
	2023	2022
	$	$
Defined benefit pension fund	**(35,285)**	1,179
Post-employment medical and life benefits	**2,374**	2,634
	(32,911)	3,813

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

12.7 ASSET ALLOCATION:

	Defined Benefit Pension Fund	
	2023	2022
Equity securities	**41%**	42%
Debt securities	**53%**	52%
Property	**2%**	2%
Other	**4%**	4%
Total	**100%**	100%

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

12.8 COMPOSITION OF PLAN ASSETS:

	Defined Benefit Pension Plan	
	2023	2022
Locally listed equities	**186,059**	210,812
Overseas equities	**175,006**	170,562
TT$ denominated bonds	**373,433**	377,002
US$ denominated bonds	**90,642**	89,195
Property	**19,469**	19,888
Mortgages	**7,833**	3,642
Cash and cash equivalents	**30,560**	31,381
Total	**883,002**	902,482

All equities have quoted prices in active markets. The fair values of all TT$ and US$ 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, 2023, the Plan held $39.2 million worth of the Group's shares and property assets carried at $19.5 million were occupied by Scotiabank. There are no asset-liability matching strategies used by the Plan.

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

12.9 THE PRINCIPAL ACTUARIAL ASSUMPTIONS OF THE PENSION PLAN AND POST-EMPLOYMENT BENEFITS WERE:

	Defined Benefit Pension Plan	
	2023	2022
	% pa	% pa
Discount rate:		
- Active members, current and deferred pensioners	**6.00**	6.00
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:

	2023	2022
	% pa	% pa
Longevity at age 60 for current pensioners (in years)		
Males	**21.9**	21.9
Females	**26.2**	26.1
Longevity at age 60 for current members age 40 (in years)		
Males	**22.8**	22.7
Females	**27.1**	27.1

At October 31, 2023, the weighted-average duration of the defined benefit obligation is 17.2 years (2022: 17.0 years).

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

12.10 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	
	Increase	Decrease
	$	$
Discount rate (1% movement)	102,765	(131,759)
Future salary increases (1% movement)	(46,067)	38,948

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

	Effect on Post-employment Medical and Life Benefits Obligation	
	Increase	Decrease
	$	$
Discount rate (1% movement)	27,664	(35,682)
Medical cost increases (1% movement)	(35,048)	27,578

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at year-end by $6.062 million.

	2023	2022
13. DEPOSITS FROM CUSTOMERS	**$**	$
13.1 DEPOSIT BALANCES	**22,015,636**	20,890,636
Interest payable	**12,508**	1,136
	22,028,144	20,891,772
13.2 CONCENTRATION OF LIABILITIES		
Personal	**11,247,040**	11,037,957
Commercial	**9,593,689**	8,601,765
Financial institutions	**1,174,907**	1,250,914
	22,015,636	20,890,636
14. DEPOSITS FROM BANKS AND RELATED COMPANIES		
Related companies	**315,547**	90,293
Banks	**6,977**	4,986
	322,524	95,279
15. OTHER LIABILITIES		
Customer loyalty programs*	**194,616**	178,021
Accrued charges and other payables	**361,003**	338,956
Lease Liabilities (Note 27)	**117,588**	117,668
Other	**75,617**	25,501
Provision for undrawn credit commitments and others	**3,723**	2,787
	752,547	662,933
Movement in ECL allowance for undrawn credit commitments		
Allowance, beginning of year	**2,787**	716
Impairment charge for the year (Note 8.6)	**936**	2,071
Allowance, end of year	**3,723**	2,787

*The contract liability with customer loyalty programs is related to unredeemed customer loyalty points. This will be recognised as revenue when the points are redeemed by customers, which is expected to occur over the next two years. The value of previously deferred revenue recognised in the income statement was $97.1 million (2022:$69.9 million)

16. POLICYHOLDERS' FUNDS

	2023	2022
	$	$
Ordinary life – Non-participating policies	**1,002,735**	940,260
Individual annuities	**749,504**	772,716
Group life – Creditor life	**10,692**	12,542
Provision for future policy benefits	**1,762,931**	1,725,518
Other policyholders' liabilities	**20,842**	21,061
	1,783,773	1,746,579
The movement in provision for future policy benefits is as follows:		
Balance at beginning of year	**1,746,579**	1,651,939
Change in reserves	**37,413**	94,437
Change in other policy liabilities	**(219)**	203
Balance at end of year	**1,783,773**	1,746,579

17. DEFERRED TAXATION

17.1 THE NET DEFERRED TAX ASSET IS ATTRIBUTABLE TO THE FOLLOWING ITEMS:

	2023	2022
	$	$
Deferred tax asset		
Investment securities at FVOCI	**18,446**	29,481
Allowance for credit losses	**60,985**	57,440
Post-employment benefits asset/obligation	**28,664**	16,129
Property and equipment	**(39,138)**	(34,659)
Miscellaneous liabilities	**3,388**	6,517
	72,345	74,908
Deferred tax liability		
Shareholders income	**29,009**	21,997

17.2 THE MOVEMENT IN THE DEFERRED TAX AMOUNT COMPRISED:

Balance at beginning of year	**(52,911)**	(8,672)
Amounts recognised in OCI (Note 25.3)		
- Debt securities at FVOCI	**21,070**	(32,617)
- Post-employment benefits assets/obligation	**(11,519)**	1,302
Amounts recognised in profit or loss		
- Current year's deferred tax charge (Note 25.1)	**1,429**	(14,672)
Change in estimates related to prior years	**(1,405)**	1,748
Balance at end of year	**(43,336)**	(52,911)

18. STATED CAPITAL

Authorised

Unlimited number of ordinary shares of no par value

Issued and fully paid		
176,343,750 (2022:176,343,750) ordinary shares	**267,563**	267,563

19. STATUTORY RESERVE FUND

In accordance with the Financial Institutions Act, 2008, Scotiabank and Scotia Investments are required to transfer at the end of each financial year, no less than 10 percent of its 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 also required to be reserved to support deposit liabilities at not less than twenty times its balance as at October 31, 2023.

The balance shown for the statutory reserve fund includes the funds of both Scotiabank and Scotia Investments as follows:

	2023		
	Scotiabank	Scotia Investments	Total
	$	$	$
Balance, beginning of year	877,563	2,537	880,100
Amount transferred	-	1,955	1,955
Balance, end of year	**877,563**	**4,492**	**882,055**

	2022		
	Scotiabank	Scotia Investments	Total
	$	$	$
Balance, beginning of year	812,563	2,537	815,100
Amount transferred	65,000	-	65,000
Balance, end of year	**877,563**	**2,537**	**880,100**

20. DIVIDENDS

20.1 Dividends paid and proposed are analysed as follows:

	2023		2022	
Dividends paid	**¢ per share**	**$**	¢ per share	$
First interim dividend	**70**	**123,440**	65	114,624
Second interim dividend	**70**	**123,441**	65	114,623
Third interim dividend	**70**	**123,441**	100	176,344
	210	**370,322**	230	405,591
Dividends proposed				
Final dividend	**70**	**123,441**	100	176,344
Total dividends paid and proposed	**280**	**493,763**	330	581,935

20.2 RECONCILIATION OF DIVIDENDS PAID AND PROPOSED TO DIVIDENDS PAID DURING THE YEAR:

	2023		2022	
	¢ per share	**$**	¢ per share	$
Total dividends paid and proposed	**280**	**493,763**	330	581,935
Dividends proposed	**(70)**	**(123,441)**	(100)	(176,344)
Dividends paid during the year in respect of prior year	**100**	**176,344**	85	149,892
Dividends paid during the year	**310**	**546,666**	315	555,483

	2023	2022
	$	$
21. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD		
Loans to customers	**1,300,548**	1,126,960
Investment securities:		
- FVOCI	**147,442**	133,690
- Amortised cost	**1,780**	1,780
	1,449,770	1,262,430
22. INTEREST EXPENSE		
Deposits from customers	**29,601**	9,831
Interest on lease liabilities (Note 27)	**5,610**	5,921
Other interest expense	**490**	418
	35,701	16,170
23. OTHER INCOME		
Deposit and payment services	**93,881**	78,181
Card revenues	**239,988**	183,105
Credit fees	**22,389**	23,365
Net premium income	**84,689**	60,347
Wealth management services	**10,475**	10,462
Trading income and net income from financial instruments at FVTPL	**218,476**	379,656
Other fees and commissions	**51,446**	66,934
	721,344	802,050

Net premium income comprises premium income of $428.5 million (2022: $422.4 million) and related expenses of $340.8 million (2022: $358.5 million).

Fee and commission expense are expenses directly tied to the generation of card revenues and deposit and payment services.

24. OTHER EXPENSES

	2023	2022
	$	$
Deposit insurance premium	**33,580**	32,787
Directors' fees	**3,849**	3,634
Other operating expenses	**237,782**	212,952
	275,211	249,373

25. TAXATION

	2023	2022
	$	$
25.1 TAXATION CHARGE		
Current tax	**336,238**	373,661
Deferred tax: Origination and reversal of temporary differences	**1,429**	(14,762)
Green Fund levy	**6,115**	7,911
	343,782	366,810

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:

	2023		2022	
	$	**%**	$	%
Profit before taxation	**1,021,773**	**100**	1,050,559	100
Computed tax calculated at the statutory rate of 35% (2022 – 35%)	**357,621**	**35**	367,696	35
Tax effect of items that are adjusted in determining taxable profit:				
- Effect of different tax rate of life insurance company	**(27,107)**	**(3)**	(19,340)	(2)
- Effect of different tax rate of asset management company	**(762)**	**-**	(562)	-
- Tax effect of non-deductible costs and non-taxable income	**9,320**	**1**	9,357	1
- Green Fund levy	**6,115**	**1**	7,911	1
- Change in estimates related to prior years	**(1,405)**	**-**	1,748	-
Taxation charge and effective tax rate	**343,782**	**34**	366,810	35

25. Taxation (*Continued*)

25.3 AMOUNTS RECOGNISED IN OCI

	Before Tax	Tax Expense	Net of Tax
	$	$	$
2023			
Fair value re-measurement of debt instruments at FVOCI	66,334	(21,070)	45,264
Remeasurement of post-employment benefits obligations/assets	(32,911)	11,519	(21,392)
	33,423	**(9,551)**	**23,872**
2022			
Fair value re-measurement of debt instruments at FVOCI	(93,192)	32,617	(60,575)
Remeasurement of post-employment benefits obligations/assets	3,813	(1,302)	2,511
	(89,379)	**31,315**	**(58,064)**

26. EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

- Net income for the year attributable to ordinary shareholders of $678 million (2022: $683.7 million).
- Weighted average number of ordinary shares issued and outstanding during the year which was 176,343,750 shares (2022: 176,343,750 shares).

27. LEASES

The Group leases a number of branches, ATMs and office premises. The length of the leases vary but 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	**2023**	2022
Right-of-use assets relate to branch, ATMs and office premises that are presented within property and equipment.	**$**	$
Balance at beginning of year	**110,024**	109,470
Depreciation charge for the year	**(14,917)**	(13,941)
Additions	**13,591**	14,495
Balance at end of year	**108,698**	110,024
Maturity analysis – contractual undiscounted cash flows		
At October 31, 2023, lease payments under non-cancellable operating leases were payable as follows:		
Gross finance lease liabilities:		
Less than one year	**18,825**	14,485
Between one and five years	**83,932**	65,230
Over five years	**41,151**	63,651
Total undiscounted lease payments	**143,908**	143,366
Future Interest	**(26,320)**	(25,698)
Present value of minimum lease payments	**117,588**	117,668
Amounts recognized in profit or loss		
Interest on lease liabilities	**5,610**	5,921
Expenses relating to leases of low-value assets	**498**	478
Amounts recognized in statement of cash flows		
Balance at start of the year	**117,668**	117,668
Changes from financing cash flows	**(19,281)**	(17,785)
Interest expense	**5,610**	5,921
New Lease	**13,591**	14,495
	117,588	117,668

28. COMMITMENTS AND CONTINGENT LIABILITIES

In the normal course of business, various commitments and contingent liabilities are outstanding (Notes 3(l) and 3(s)) 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, 2023, there were certain legal proceedings against the Group. Based upon legal advice, the Bank 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.

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 counterparty to honour its financial or contractual obligations to the Group. Credit risk is created in the Group's direct lending operations and in its funding, investment and trading activities where counterparties have repayment, or other 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 certain types of lending. These various limits are determined by taking into account the relative risk of the borrower or industry.

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. 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. Proposed changes to these models or their parameters require analysis and recommendation by the credit risk unit independent of the business line, and approval by the appropriate management credit committee.

A centralized collection unit utilizes an automated system for the follow-up and collection of delinquent accounts. All delinquent accounts are aggressively managed with slightly greater emphasis being placed on the larger dollar accounts given that they represent a potential larger loss exposure to the Group. The 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, employs the practice of taking 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 Group does not routinely update the valuation of collateral held. Valuation of collateral is updated when the credit risk of a loan deteriorates significantly.

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

Repossessed collateral

The Group enforces its power of sale agreements over various types of collateral (as noted above) as a consequence of failure by borrowers or counterparties to honour their financial obligations to the Group. Appraisals are obtained for the current value of the collateral as an input to the impairment measurement, and 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 72% (2022:73%) 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, 2023, these loans accounted for $7.8 billion or 43% of the Group's total loans and acceptances outstanding (2022: $7.5 billion or 43%). The estimated value of the collateral with enforceable legal right pursuant to this residential mortgage is $9.3 billion (2022: $8.8 billion).

29. Financial Risk Management (*Continued*)

(II) EXPOSURE TO CREDIT RISK

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

	2023	2022
	$	$
Credit risk recognised on the consolidated statement of financial position		
Cash and cash equivalents	**187,028**	138,221
Loans and advances to banks and related companies	**1,090,429**	652,582
Treasury bills	**1,869,820**	2,933,707
Deposits with Central Bank	**3,193,913**	2,369,244
Loans to customers	**18,604,223**	17,308,959
Investment securities (excluding equities)		
- Debt instruments measured at FVOCI	**3,890,056**	3,792,349
- Debt instruments measured at amortised cost	**21,998**	21,998
- Interest receivable on investment securities	**39,355**	39,585
	28,896,822	27,256,645
Credit risk not recognised on the consolidated statement of financial position		
Acceptances, guarantees and letters of credit	**841,134**	790,084
Undrawn credit commitments	**3,337,539**	3,090,733
	4,178,673	3,880,817
Total credit risk exposure	**33,075,495**	31,137,462

(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).

	2023			
	Stage 1	Stage 2	Stage 3	Total
Retail loans	$	$	$	$
Balance at beginning of the year	64,934	145,203	84,515	294,652
Remeasurement	(92,517)	79,622	129,013	116,118
Newly originated or purchased	69,932	(179)	-	69,753
Derecognition and maturities	(19,481)	(34,562)	-	(54,043)
Transfers to (from):				
- Stage 1	92,779	(85,785)	(6,994)	-
- Stage 2	(37,125)	68,990	(31,865)	-
- Stage 3	(431)	(33,346)	33,777	-
Gross write offs	-	-	(130,287)	(130,287)
Balance at end of year	**78,091**	**139,943**	**78,159**	**296,193**

29. Financial Risk Management / **29.1 Credit risk** (*Continued*)

	2023			
Commercial loans	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	159	4,517	12,031	16,707
Remeasurement	2,494	39	13,757	16,290
Newly originated or purchased	16,256	-	-	16,256
Derecognition and maturities	(11,734)	(808)	-	(12,542)
Transfers to (from):				
- Stage 1	(998)	998	-	-
- Stage 2	1,517	(1,517)	-	-
Gross write offs	-	-	(13,501)	(13,501)
Balance at end of the year	**7,694**	**3,229**	**12,287**	**23,210**

	2022			
	Stage 1	Stage 2	Stage 3	Total
Retail loans	$	$	$	$
Balance at beginning of the year	53,433	143,043	74,485	270,961
Remeasurement	(73,760)	81,946	155,458	163,644
Newly originated or purchased	29,612	-	-	29,612
Derecognition and maturities	(5,607)	(15,183)	-	(20,790)
Transfers to (from):				
- Stage 1	75,312	(71,651)	(3,660)	1
- Stage 2	(13,823)	31,849	(18,026)	-
- Stage 3	(233)	(24,801)	25,034	-
Gross write offs	-	-	(148,776)	(148,776)
Balance at end of year	**64,934**	**145,203**	**84,515**	**294,652**
Commericial loans				
Balance at beginning of the year	5,867	3,642	27,611	37,120
Remeasurement	(4,408)	1,220	1,174	(2,014)
Newly originated or purchased	9,784	-	-	9,784
Derecognition and maturities	(11,420)	(9)	-	(11,429)
Transfers to (from):				
- Stage 1	(441)	441	-	-
- Stage 2	777	(777)	-	-
Gross write offs	-	-	(16,773)	(16,773)
Balance at end of year	**159**	**4,517**	**12,031**	**16,707**

(IV) ANALYSIS OF CREDIT QUALITY

Loans to customers

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

	2023			
	Stage 1	Stage 2	Stage 3	Total
Retail loans	$	$	$	$
Very low	74,425	-	-	74,425
Low	8,223,505	17,415	-	8,240,920
Medium	2,506,589	10,096	-	2,516,685
High	963,184	555,386	-	1,518,570
Very high	121	441,093	-	441,214
Loans not graded	436,499	49,248	-	485,747
Default	-	-	328,955	328,955
Total	12,204,323	1,073,238	328,955	13,606,516
Allowance for credit losses	(78,091)	(139,943)	(78,159)	(296,193)
Carrying value	**12,126,232**	**933,295**	**250,796**	**13,310,323**
Commercial loans				
Very low	14,214	83,015	-	97,229
Low	2,995,365	131,362	-	3,126,727
Medium	1,793,492	149,018	-	1,942,510
High	-	38,447	-	38,447
Default	-	-	37,158	37,158
Total	4,803,071	401,842	37,158	5,242,071
Allowance for credit losses	(7,694)	(3,229)	(12,287)	(23,210)
Carrying value	**4,795,377**	**398,613**	**24,871**	**5,218,861**

Loans to customers

	2022			
	Stage 1	Stage 2	Stage 3	Total
Retail loans	$	$	$	$
Very low	58,436	-	-	58,436
Low	8,046,778	25,792	-	8,072,570
Medium	2,694,324	24,872	-	2,719,196
High	813,002	492,349	-	1,305,351
Very high	54	420,824	-	420,878
Default	-	-	263,868	263,868
Total	11,612,594	963,837	263,868	12,840,299
Allowance for credit losses	(64,934)	(145,203)	(84,515)	(294,652)
Carrying value	**11,547,660**	**818,634**	**179,353**	**12,545,647**
Commericial loans				
Very low	10,251	93,116	-	103,367
Low	2,184,338	214,058	-	2,398,396
Medium	1,865,193	230,290	-	2,095,483
High	-	43,093	-	43,093
Default	-	-	59,764	59,764
Total	4,059,782	580,557	59,764	4,700,103
Allowance for credit losses	(159)	(4,517)	(12,031)	(16,707)
Carrying value	**4,059,623**	**576,040**	**47,733**	**4,683,396**

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%

Loans to customers

The following tables show certain key macroeconomic variables used to calculate the modelled estimate for the allowance for credit losses. Further changes in these variables up to the date of the financial statements is 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, which represents a medium-term view.

Real GDP growth, y/y % change	Base Case Scenario	Alternative Scenario – Optimistic	Alternative Scenario – Pessimistic	Alternative Scenario – Very Pessimistic
2023	**3.8**	**4.5 - 4.9**	**2.8 - 4.2**	**0.5 - 4.7**
2022	4.4-4	5 - 4.9	0.5 - 5.2	-1 - 3.8

Investment securities

The credit quality of FVOCI debt instruments as well as loan commitments and financial guarantee contracts are all classified as "very low". Total ECL provision as at October 31 2023 is $1.2 million (2022: $1.2 million) See Note 8.6 for allowance for credit losses.

Cash equivalents and loans and advances to banks

The Group held cash equivalents and loans and advances to banks and related parties of $1,090 million (2022: $652 million). Cash equivalents and loans and advances to banks and related parties are held with reputable financial institutions with no history of default.

29.2 MARKET RISK

Market 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. This includes asset liability management, while also approving limits for funding and investment activities, and reviewing the Group's interest rate strategies and performance against established limits.

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

The Group has no significant foreign exchange exposure since assets are funded by liabilities in the same currency. Foreign currency transactions have not required the use of interest rate swaps and foreign currency options and other derivative instruments which all carry inherent risks. 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. Daily reports are independently reviewed for compliance. 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	
	2023	2022	**2023**	2022
	$	$	**$**	$
Increase of 1%	**1,553**	958	**1,012**	623
Decrease of 1%	**(1,553)**	(958)	**(1,010)**	(623)

CONCENTRATION OF ASSETS AND LIABILITIES BY CURRENCY

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

	2023			
	TT	US	Other	Total
Financial Assets	$	$	$	$
Cash on hand and in transit	161,730	23,411	1,887	187,028
Loans and advances to banks and related companies	93,794	707,485	289,150	1,090,429
Treasury bills	1,163,621	681,252	24,947	1,869,820
Deposits with Central Bank	3,193,913	-	-	3,193,913
Loans to customers	16,868,206	1,736,017	-	18,604,223
Investment securities	2,824,860	1,263,817	-	4,088,677
Total financial assets	**24,306,124**	**4,411,982**	**315,984**	**29,034,090**
Financial Liabilities				
Deposits from customers	17,412,413	4,303,779	311,952	22,028,144
Deposits from banks and related companies	64,970	257,554	-	322,524
Lease liabilities	117,588	-	-	117,588
Policyholders' funds	1,768,411	15,362	-	1,783,773
Total financial liabilities	19,363,382	4,576,695	311,952	24,252,029
Net position	**4,942,742**	**(164,713)**	**4,032**	**4,782,061**
Undrawn credit commitments	**3,315,588**	**21,951**	**-**	**3,337,539**
Financial Guarantee Contracts	**367,453**	**473,681**	**-**	**841,134**

	2022			
	TT	US	Other	Total
Financial Assets	$	$	$	$
Cash on hand and in transit	114,371	22,201	1,649	138,221
Loans and advances to banks and related companies	87,295	246,361	318,926	652,582
Treasury bills	1,825,280	1,032,659	75,768	2,933,707
Deposits with Central Bank	2,369,244	-	-	2,369,244
Loans to customers	15,543,438	1,765,521	-	17,308,959
Investment securities	2,675,577	1,262,610	5	3,938,192
Total financial assets	**22,615,205**	**4,329,352**	**396,348**	**27,340,905**
Financial Liabilities				
Deposits from customers	16,316,849	4,182,709	392,214	20,891,772
Deposits from banks and related companies	17,510	77,769	-	95,279
Lease liabilities	117,668	-	-	117,668
Policyholders' funds	1,729,847	16,732	-	1,746,579
Total financial liabilities	**18,181,874**	**4,277,210**	**392,214**	**22,851,298**
Net position	**4,433,331**	**52,142**	**4,134**	**4,489,607**
Undrawn credit commitments	**3,086,351**	**4,422**	**-**	**3,090,773**
Financial Guarantee Contracts	**289,072**	**501,012**	**-**	**790,084**

29.2.2 INTEREST RATE RISK

Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustment within a specific period. In the Group's funding, lending and investment activities, fluctuations in interest rates are reflected in interest rate margins and consequently its earnings. 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 when compared to last year.

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

	100bp parallel decrease	25bp parallel decrease	25bp parallel increase	100bp parallel increase
2023	$	$	$	$
At October 31	26,100	6,525	(6,526)	(26,103)
Average for the period	36,341	9,085	(9,085)	(36,343)
Maximum for the period	42,414	10,603	(10,604)	(42,415)
Minimum for the period	26,100	6,525	(6,526)	(26,103)
2022				
At October 31	37,023	9,253	(9,253)	(37,012)
Average for the period	42,839	10,710	(10,710)	(42,839)
Maximum for the period	48,933	12,233	(12,233)	(48,933)
Minimum for the period	36,584	9,146	(9,146)	(36,584)

Interest sensitivity of financial assets and financial liabilities

The following table summarises carrying amounts of financial assets and financial liabilities on the consolidated statement of financial position, in order to arrive at the Group's interest rate gap on the earlier of contractual repricing if floating rate or the maturity date if fixed rate:

	2023					
	Due on demand	Due in one year	Due in two to five years	Over five years	Non-interest bearing	Total
	$	$	$	$	$	$
Financial assets	-	-	-	-	187,028	187,028
Cash on hand and in transit						
Loans and advances to banks and related companies	181,298	-	-	-	909,131	1,090,429
Treasury bills	-	1,869,820	-	-	-	1,869,820
Deposits with Central Bank	-	-	-	-	3,193,913	3,193,913
Net loans to customers	62,670	4,546,199	6,275,363	7,676,707	43,284	18,604,223
Investment securities	90,947	1,373,738	1,206,209	1,348,656	69,127	4,088,677
Total financial assets	**334,915**	**7,789,757**	**7,481,572**	**9,025,363**	**4,402,483**	**29,034,090**
Financial liabilities						
Deposits from customers	13,623,107	2,538,046	118,588	-	5,748,403	22,028,144
Deposits from banks and related companies	243,094	-	-	-	79,430	322,524
Lease liabilities	-	13,455	66,796	37,337	-	117,588
Policyholders' funds	81,621	212,843	566,499	922,810	-	1,783,773
Total financial liabilities	**13,947,822**	**2,764,344**	**751,883**	**960,147**	**5,827,833**	**24,252,029**
Net gap	**(13,612,907)**	**5,025,413**	**6,729,689**	**8,065,216**	**(1,425,350)**	**4,782,061**
Cumulative gap	**(13,612,907)**	**(8,587,494)**	**(1,857,805)**	**6,207,411**	**4,782,061**	

	2022					
	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	-	-	-	-	138,221	138,221
Loans and advances to banks and related companies	44,396	-	-	-	608,186	652,582
Treasury bills	-	2,933,707	-	-	-	2,933,707
Deposits with Central Bank	-	-	-	-	2,369,244	2,369,244
Net loans to customers	401,482	6,454,864	3,944,088	6,408,993	99,532	17,308,959
Investment securities	-	484,042	1,640,388	1,652,122	161,640	3,938,192
Total financial assets	**445,878**	**9,872,613**	**5,584,476**	**8,061,115**	**3,376,823**	**27,340,905**
Financial liabilities						
Deposits from customers	14,458,804	1,115,109	136,715	-	5,181,144	20,891,772
Deposits from banks and related companies	4,986	-	-	-	90,293	95,279
Lease liabilities	-	12,548	54,724	50,396	-	117,668
Policyholders' funds	88,593	117,947	388,690	1,151,349	-	1,746,579
Total financial liabilities	**14,552,383**	**1,245,604**	**580,129**	**1,201,745**	**5,271,437**	**22,851,298**
Net gap	**(14,106,505)**	**8,627,009**	**5,004,347**	**6,859,370**	**(1,894,614)**	**4,489,607**
Cumulative gap	**(14,106,505)**	**(5,479,496)**	**(475,149)**	**6,384,221**	**4,489,607**	

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 effect on equity will arise from changes in stock prices for equity instruments designated as FVOCI, whereas the impact on income will arise from equity instruments measured at FVTPL.

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

29. Financial Risk Management (*Continued*)

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. Financial obligations include liabilities to depositors, payments due under contractual arrangements, settlement of securities, borrowing and repurchase transactions and lending and investing commitments.

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.

The Group maintains diversified sources of funding, sets prudent limits and ensures immediate access to liquid assets. The Group relies on a broad range of funding sources and applies prudent limits to avoid undue concentration. 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. Fallback techniques include access to local interbank and institutional markets and stand-by lines of credit with external parties.

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

The table below shows a 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.

	2023				
	Due on demand	Up to one year	Two to five years	Over five years	Total
	$	$	$	$	$
Financial assets					
Cash on hand and in transit	187,028	-	-	-	187,028
Loans and advances to banks and related companies	1,090,429	-	-	-	1,090,429
Treasury bills	-	1,869,820	-	-	1,869,820
Deposits with Central Bank	3,193,913	-	-	-	3,193,913
Net loans to customers	105,954	4,546,199	6,275,363	7,676,707	18,604,223
Investment securities (excluding equities)	-	1,334,383	1,206,209	1,371,462	3,912,054
Total financial assets	**4,577,324**	**7,750,402**	**7,481,572**	**9,048,169**	**28,857,467**
Financial liabilities	-				
Deposits from customers	19,371,510	2,538,046	118,588	-	22,028,144
Deposits from banks and related companies	86,407	236,117	-	-	322,524
Lease liabilities	13,455	66,796	37,337	-	117,588
Policyholders' funds	81,621	212,843	566,499	922,810	1,783,773
Total financial liabilities	**19,552,993**	**3,053,802**	**722,424**	**922,810**	**24,252,029**
Net Gap	**(14,975,669)**	**4,696,600**	**6,759,148**	**8,125,359**	**4,605,438**
Cumulative Gap	**(14,975,669)**	**(10,279,069)**	**(3,519,921)**	**4,605,438**	

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

	2023				
	Due on demand	Up to one year	Two to five years	Over five years	Total
	$	$	$	$	$
Undrawn credit commitments	3,337,539	-	-	-	3,337,539
Financial guarantee contracts	-	837,702	2,364	1,068	841,134

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

	2022				
	Due on demand	Up to one year	Two to five years	Over five years	Total
	$	$	$	$	$
Financial assets					
Cash on hand and in transit	138,221	-	-	-	138,221
Loans and advances to banks and related companies	652,582	-	-	-	652,582
Treasury bills	-	2,933,707	-	-	2,933,707
Deposits with Central Bank	2,369,244	-	-	-	2,369,244
Net loans to customers	501,015	6,454,864	3,944,088	6,408,992	17,308,959
Investment securities (excluding equities)	-	484,043	1,640,388	1,689,916	3,814,347
Total financial assets	**3,661,062**	**9,872,614**	**5,584,476**	**8,098,908**	**27,217,060**
Financial liabilities	-				
Deposits from customers	19,639,948	1,115,109	136,715	-	20,891,772
Deposits from banks and related companies	95,279	-	-	-	95,279
Lease liabilities	-	12,548	54,724	50,396	117,668
Policyholders' funds	88,573	117,947	388,690	1,151,369	1,746,579
Total financial liabilities	**19,823,800**	**1,245,604**	**580,129**	**1,201,765**	**22,851,298**
Net Gap	**(16,162,738)**	**8,627,010**	**5,004,347**	**6,897,143**	**4,365,762**
Cumulative Gap	**(16,162,738)**	**(7,535,728)**	**(2,531,381)**	**4,365,762**	

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

	2022				
	Due on demand	Up to one year	Two to five years	Over five years	Total
	$	$	$	$	$
Undrawn guarantee contracts	3,090,773	-	-	-	3,090,773
Financial guarantee contracts	-	788,858	1,226	-	790,084

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.

	2023					
	Due on demand	Due in one year	Due in two to five years	Over five years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Financial Liabilities						
Deposits from customers	19,374,952	2,529,272	129,283	486	22,033,993	22,028,144
Deposits from banks and related companies	322,524	-	-	-	322,524	322,524
Lease Liabilities	-	18,825	69,607	55,064	143,496	117,588
Policyholders' funds	60,187	216,194	616,305	1,443,187	2,335,873	1,783,773
Total liabilities	**19,757,663**	**2,764,291**	**815,195**	**1,498,737**	**24,835,886**	**24,252,029**

	2022					
	Due on demand	Due in one year	Due in two to five years	Over five years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Financial Liabilities						
Deposits from customers	19,639,948	1,115,564	136,913	-	20,892,425	20,891,772
Deposits from banks and related companies	95,279	-	-	-	95,279	95,279
Lease Liabilities	-	17,781	84,012	40,995	142,788	117,668
Policyholders' funds	66,958	118,252	423,906	1,869,175	2,478,291	1,746,579
Total liabilities	**19,802,185**	**1,251,597**	**644,831**	**1,910,170**	**23,608,783**	**22,851,298**

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.** Tier 1 capital comprises shareholder equity and retained earnings and is a measure of the Group's financial position. Deductions such as losses incurred in the current year of operations, whether audited or unaudited and whether or not publicly disclosed are made from Tier 1.
- **Tier 2 capital.** 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	**2023**	2022
Scotiabank Trinidad and Tobago Limited	10.0%	**17.03%**	17.55%
Scotia Investments Trinidad and Tobago Limited	10.0%	**94.66%**	144.6%

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 other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

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

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

29. Financial Risk Management (*Continued*)

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.

For a portfolio of insurance contracts where the theory of probability is applied to provisioning, 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. This may occur in the event the frequency or severity of claims and benefits is greater than that estimated. Insurance events are random and therefore the actual number and amount of claims and benefits will vary from year to year from the levels established.

The Group pledges assets to the Statutory Fund at the Central Bank of Trinidad & Tobago. This strategy is used to mitigate the risk associated with the possibility of insufficient funds to cover policyholder benefits. The Group pledges assets in excess of its policyholders' liabilities to ensure coverage at any given point in time.

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 significant accounting policies Note 3(c)(ii).

(a) Valuation models

The Group classifies fair value using the following three-level fair value hierarchy based on the extent to which one or more significant inputs are observable or not observable:

- **Level 1** – Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2** – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3** – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique included inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. 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.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between levels during the year.

30. Fair value of financial assets (*Continued*)

(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:

	2023			
	Level 1	Level 2	Level 3	Total
Financial Assets	$	$	$	$
Treasury bills	681,257	1,188,563	-	1,869,820
Investment securities	316,169	3,733,153	-	4,049,322
	997,426	**4,921,716**	**-**	**5,919,142**

	2022			
	Level 1	Level 2	Level 3	Total
Financial Assets	$	$	$	$
Treasury bills	-	2,933,707	-	2,933,707
Investment securities	1,144,455	2,682,980	-	3,827,435
	1,144,455	**5,616,687**	**-**	**6,761,142**

The fair value of level 2 instruments was determined using a pricing formula and 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.

(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 by the level in the fair value hierarchy into which the fair value measurement is categorized. 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.

	Level 1	Level 2	Level 3	Total Fair Value	Carrying Amount
2023	$	$	$	$	$
Financial Assets					
Loans to customers	-	-	17,315,546	17,315,546	18,604,223
Debt instruments measured at amortised cost	-	-	21,998	21,998	21,998
			17,337,544	**17,337,544**	**18,626,221**
Financial Liabilities					
Deposits from customers	-	-	22,015,636	22,015,636	22,015,636
Lease liabilities	-	-	117,668	117,668	117,668
Policyholders' funds	-	-	1,783,773	1,783,773	1,783,773
	-	**-**	**23,917,077**	**23,917,077**	**23,917,077**

The table below is an analysis of financial instruments not measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. 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.

2022					
Financial Assets					
Loans to customers	-	-	14,635,814	14,635,814	17,308,959
Debt instruments measured at amortised cost	-	-	21,998	21,998	21,998
	-	**-**	**14,657,812**	**14,657,812**	**17,330,957**
Financial Liabilities					
Deposits from customers	-	-	20,891,772	20,891,772	20,891,772
Lease liabilities	-	-	117,668	117,668	117,668
Policyholders' funds	-	-	1,746,579	1,746,579	1,746,579
	-	**-**	**22,756,019**	**22,756,019**	**22,756,019**

(a) Cash on hand and in transit

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

(b) Loans and advances to banks and related companies

Amounts due from banks and related companies are negotiated at market 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. A significant portion of the deposits is 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

Customer deposits and deposits from banks and related companies 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.

(g) Policyholders' funds

Policyholders' funds are 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.

The instruments above are classified into level 2 in the fair value hierarchy, except for lease liabilities, which are measured using an internally determined discount rate and therefore considered level 3.

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:

	2023				
	FVTPL	FVOCI Debt	FVOCI Equity	Amortised Cost	Total
Financial Assets	$	$	$	$	$
Cash and cash equivalents	-	-	-	187,028	187,028
Loans and advances to banks and related companies	-	-	-	1,090,429	1,090,429
Treasury bills	-	1,869,820	-	-	1,869,820
Deposits with Central Bank	-	-	-	3,193,913	3,193,913
Loans to customers	-	-	-	18,604,223	18,604,223
Investment securities	133,495	3,890,056	3,773	61,353	4,088,677
Total financial assets	**133,495**	**5,759,876**	**3,773**	**23,136,946**	**29,034,090**
Financial Liabilities					
Deposits from customers	-	-	-	22,028,144	22,028,144
Deposits from banks and related companies	-	-	-	322,524	322,524
Lease liabilities	-	-	-	117,588	117,588
Policyholders' funds	-	-	-	1,783,773	1,783,773
Total financial liabilities	**-**	**-**	**-**	**24,252,029**	**24,252,029**

	2022				
	FVTPL	FVOCI Debt	FVOCI Equity	Amortised Cost	Total
Financial Assets	$	$	$	$	$
Cash and cash equivalents	-	-	-	138,221	138,221
Loans and advances to banks and related companies	-	-	-	652,582	652,582
Treasury bills	-	2,933,707	-	-	2,933,707
Deposits with Central Bank	-	-	-	2,369,244	2,369,244
Loans to customers	-	-	-	17,308,959	17,308,959
Investment securities	73,526	3,792,349	10,734	61,583	3,938,192
Total financial assets	**73,526**	**6,726,056**	**10,734**	**20,530,589**	**27,340,905**
Financial Liabilities					
Deposits from customers	-	-	-	20,891,772	20,891,772
Deposits from banks and related companies	-	-	-	95,279	95,279
Lease liabilities	-	-	-	117,668	117,668
Policyholders' funds	-	-	-	1,746,579	1,746,579
Total financial liabilities	**-**	**-**	**-**	**22,851,298**	**22,851,298**

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

32. RELATED PARTY BALANCES AND TRANSACTIONS

Scotiabank is a subsidiary of Scotiabank Caribbean Holdings Limited, which is incorporated and domiciled in Barbados. The Bank of Nova Scotia, which is incorporated and domiciled in Canada is the ultimate parent company. The remaining stock units are widely held.

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, including companies connected by virtue of common directorships, in the normal course of business. These include loans, deposits, investment management services and foreign currency transactions.

Related party transactions with the parent company include the payment of dividends. Related party transactions with the ultimate parent company comprise the payment of management fees, guarantee fees, centralised computing and other service fees. There were no other balances due to the ultimate parent company, outside of those balances set out in note 30.

Related party transactions include but are not limited to the following:

- Data processing and information technology support
- Technical and management services
- Operations support
- Transaction processing support
- Delinquent account collection services.

	2023	2022
	$	$
(i) Outstanding balances		
Loans, investments and other assets		
Directors, key management personnel and close family members	**15,288**	14,474
Parent company	**86,030**	51,275
Other related entities	**106,509**	356,283
	207,827	422,032
Deposits and other liabilities		
Directors, key management personnel and close family members	**14,643**	31,647
Other related entities	**345,188**	369,291
	359,831	400,938

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

(ii) Transactions		
Interest and other income		
Directors, key management personnel and close family members	**413**	413
Parent company	**-**	35
Other related entities	**27,503**	30,767
	27,916	31,215
Interest and expenses		
Directors, key management personnel and close family members	**3,848**	3,634
Parent company	**65,769**	54,201
Other related entities	**147,943**	133,170
	217,560	191,005

(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

	2023	2022
	$	$
Short-term benefits and pension cost	**40,016**	34,849

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. Performance is measured based on segment profits before tax as included in the internal management reports reviewed by senior management. Segment profitability is used by management to assess product pricing, productivity and hence the allocation of resources to the various operating segments.

	2023				
	Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
	$	$	$	$	$
Interest income	1,330,885	340	118,545	-	1,449,770
Interest expense	(35,701)	-	-	-	(35,701)
Net other income	433,056	19,462	66,444	-	518,962
Income from associated companies	4,180	-	-	-	4,180
Total revenue	1,732,420	19,802	184,989	-	1,937,211
Material non-cash items:					
Depreciation	32,399	-	-	-	32,399
Segment profit before taxes	854,089	15,244	152,440	-	1,021,773
Segment assets	26,930,443	44,829	2,680,757	-	29,656,029
Segment liabilities	23,320,729	5,139	1,860,944	-	25,186,812

33. Operating segments (*Continued*)

	2022				
	Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
	$	$	$	$	$
Interest income	1,160,029	225	102,176	-	1,262,430
Interest expense	(16,170)	-	-	-	(16,170)
Net other income	559,594	24,710	65,089	-	649,393
Income from associated companies	2,395	-	-	-	2,395
Total revenue	1,705,848	24,935	167,265	-	1,898,048
Material non-cash items:					
Depreciation	32,665	-	-	-	32,665
Segment profit before taxes	909,801	12,910	127,848	-	1,050,559
Segment assets	25,458,658	43,255	2,555,139	927	28,057,979
Segment liabilities	21,937,283	4,075	1,801,679	922	23,743,959

34. RECLASSIFICATIONS

Deferred tax liability in respect of property and equipment, presented within liabilities for the year ended October 31, 2022 is now presented net within deferred tax asset. This resulted in a reduction of the total assets and total liabilities for the prior year, of $34,659.

The above reclassifications did not result in any change in prior year's reported profit or equity.

35. 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.

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.

Scotiabank Trinidad and Tobago Limited and its wholly-owned subsidiary companies

October 31, 2023 ($ thousands, except per share data)

CONSOLIDATED BALANCE SHEET	2023	2022	2021	2020	2019
Assets					
Cash resources	**6,341,190**	6,093,754	7,718,195	8,400,939	7,461,868
Loans and Investments (includes Reverse Repos)	**22,741,706**	21,290,579	18,869,265	18,452,833	17,563,534
Property, plant and equipment	**336,472**	353,262	359,519	398,499	254,385
Other assets	**236,661**	285,725	224,113	251,407	133,667
Total assets	**29,656,029**	28,023,320	27,171,092	27,503,678	25,413,454
Liabilities and shareholders' equity					
Deposits	**22,028,144**	20,891,772	20,241,852	20,868,861	19,041,461
Other liabilities	**3,158,668**	2,817,528	2,685,422	2,463,192	2,189,885
Shareholders' equity	**4,469,217**	4,314,020	4,243,818	4,171,625	4,182,108
Total liabilities and shareholders' equity	**29,656,029**	28,023,320	27,171,092	27,503,678	25,413,454
CONSOLIDATED STATEMENT OF INCOME					
Interest income	**1,449,770**	1,262,430	1,240,766	1,350,009	1,351,349
Interest expense	**(35,701)**	(16,170)	(21,594)	(36,957)	(25,330)
Net interest income	**1,414,069**	1,246,260	1,219,172	1,313,052	1,326,018
Other income	**523,142**	651,788	511,040	465,070	534,704
Total Revenue	**1,937,211**	1,898,048	1,730,212	1,778,122	1,860,722
Non-interest expenses	**(809,547)**	(737,420)	(701,987)	(757,343)	(767,125)
Income before taxation and loan loss	**1,127,664**	1,160,628	1,028,225	1,020,779	1,093,597
Loan Loss Expense	**(105,891)**	(110,069)	(108,521)	(229,917)	(144,346)
Income before taxation	**1,021,773**	1,050,559	919,704	790,862	949,251
Provision for taxation	**(343,782)**	(366,810)	(316,179)	(270,060)	(280,923)
Income After Taxation	**677,991**	683,749	603,525	520,802	668,328
OTHER STATISTICS					
Return on average assets	**2.35%**	2.48%	2.21%	1.97%	2.74%
Return on average equity	**15.44%**	15.98%	14.34%	12.47%	16.31%
Number of shares	**176,343,750**	176,343,750	176,343,750	176,343,750	176,343,750
Dividends per share	**280**	330	350	225	300
Earnings per share	**384.5**	387.7	342.2	295.3	379.0
Number of offices (including subsidiary companies)	**21**	21	23	24	25



ESG IN ACTION

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

Our Bank plays a positive and meaningful role in addressing some of the challenges of today – from removing barriers to economic inclusion, to supporting our customers and evolving our own operations to mitigate the impacts of a changing climate.

2023 was a pivotal year in our ESG journey, with progress made in each of our pillars that support our ESG strategy:

1. Environmental Action
2. Social Impact
3. Inclusive Society
4. Leadership & Governance

These form the lens through which we develop, implement, and invest in initiatives to maximize our positive impact on the world.

Read on to learn more about some of our key 2023 ESG Highlights.

Governance and Leadership

Integrity, transparency and accountability are vital to Scotiabank's success. We seek out best practices, embed a robust risk culture and encourage the highest ethical standards and conduct. Our principled approach to corporate governance is the foundation that helps us to instill trust, protect the interests of shareholders and maintain the confidence of our employees, customers and communities.

Trust and Diversity at the Top

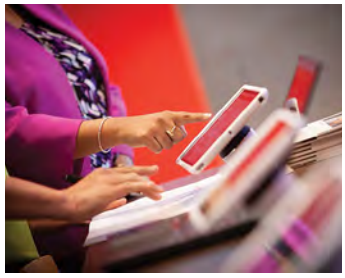
Scotiabank's Board of Directors is responsible for the stewardship of the Bank's integrity through strong oversight. It sets the tone at the top, promoting trust and confidence with our shareholders, customers, employees, regulators and communities.

We believe the best boards of directors include a diverse mix of experience, expertise, perspectives, gender, personal skills and qualities. Women make up 58% of our Board and we aspire to achieve gender parity on the Board.



Maintaining a Strong Risk Culture

At Scotiabank, we champion a culture where every employee takes ownership of their actions and understands that transparency and accountability are vital to our success. Globally, we have invested in developing a strong risk culture where managing risk is a responsibility shared by all Bank employees. Our risk culture is built on underlying norms, attitudes and beliefs that positively influence risk management behaviour across the Bank.



We reinforce our risk culture and enhance our employees' knowledge of risk-related activities through the Scotiabank Code of Conduct and ongoing training, communications, regulatory compliance activities, and compensation programmes. Adherence to our Code's letter and spirit is a condition of employment and we regularly monitor employee misconduct to identify root causes for any issues.



Our Global Mandatory Learning Programme is intended to help us adapt, evolve, and apply our skills so that we can keep the Bank safe. By equipping ourselves with useful tools and knowledge, we stay ahead of the curve and become active participants in safeguarding the trust that has been instilled in us. As at September 30, 2023, all employees completed their necessary mandatory training modules and attested to the Code.

Keeping our Bank Safe and Protecting our customers

Our ability to provide secure, efficient banking services and protect personal information is fundamental to maintaining trust with our clients. Through our system of controls and use of technology, including ethical artificial intelligence, we have a strong wall of defences to protect data entrusted to us and have no appetite for any kind of data breaches. Our global cybersecurity routinely executes comprehensive end-to-end programs to review, test, simulate and audit the Bank's cybersecurity program, systems, products and practices. We require all employees to participate in annual cybersecurity training and conduct cyber protection awareness events throughout the year.

Our cyber responsibility doesn't end with our internal defences. We also help educate our customers and keep them informed about threats and scams and how to protect themselves and their families from fraud. In 2023, social media campaigns, targeted marketing and awareness sessions were all conducted to help enhance understanding of this important issue.

Leadership: Supporting our Winning Team

Good leadership supports and enhances employee engagement and passion. Leaders have a key role in setting the values, culture and vision to move towards the organization's goals and sustaining a motivating environment for people so those goals can be reached.

Our winning team at Scotiabank is what makes us a leading bank in the Americas. We enable our people to own their development and drive business results – for every future. We strive to cultivate a culture of continuous learning and personal development. In addition to our Mandatory Learning Programme, also offer non-mandatory virtual, on-demand, in-house and other professional development training, including courses with LinkedIn Learning.

In 2023, each employee committed an average of 22 hours of training, 4 hours within the global mandatory learning programme and 22 hours in non-mandatory programmes. We invest heavily in assessing and developing the leadership skills of our employees, through various initiatives, including iLEAD - Scotiabank's flagship leadership development offering.

Measuring employee engagement is critical to us because engaged employees are motivated to develop their skills and talents, ultimately driving organizational success. Our employee engagement survey, ScotiaPulse, allows us to listen to our employees and reflect their feedback in our policies and practices. In 2023, we conducted a voluntary and confidential ScotiaPulse survey. 91% of our employees indicated they feel proud to work for Scotiabank; 93% believe Scotiabank is committed to building an inclusive workplace and 96% understand how their roles contribute to the Bank's overall strategy. 92% of employees also believe that Scotiabank is committed to being socially responsible.

WE ENABLE OUR PEOPLE TO OWN THEIR DEVELOPMENT AND DRIVE BUSINESS RESULTS – FOR EVERY FUTURE. WE STRIVE TO CULTIVATE A CULTURE OF CONTINUOUS LEARNING AND PERSONAL DEVELOPMENT.

ENVIRONMENTAL ACTION

From reducing operational environmental impacts, to providing sustainable financing options for our clients, we incorporate environmental considerations in our business.

Sustainable Financing

We provide innovative sustainable finance advice and solutions to support a successful transition towards a more sustainable future for our business, clients, customers and communities. Our Corporate and Commercial Banking Unit leverages the expertise of our Global Sustainable Finance Group to provide sustainable financing solutions and advisory services to corporate, financial, public sector and institutional clients. We assist clients in incorporating sustainability factors alongside their financing activities.



Energy Efficiency and Reducing Waste

Responsible use of the resources required to operate these facilities not only helps protect local communities and our planet, but can also reduce operating costs and risks to our business. We continue to explore options for reducing our electricity consumption and paper consumption.

Ww aim to recycle and reuse electronic equipment to the fullest extent possible while ensuring appropriate customer and employee data-wiping protocols. All equipment the Bank can no longer use – from laptops to cables, cell phones, batteries and screens – is assessed for potential to recycle, refurbish for reuse or donate to charitable institutions.



In 2023 we introduced an Employee Waste Recycling initiative whereby wastepaper and Polyethylene terephthalate (PET) plastic are collected from our operations and sent for recycling. continues. Approximately 25.18 MT of recyclable materials have been collected.

Community Environmental and Food Sustainability

This past year, we leverage opportunities such as World Environment Day and other key awareness days, to highlight our partnership with the SURE Foundation to distribute seedlings and fruit trees in communities across the country. This was done with the aim of showing people that they can adopt habits and make more sustainable choices that positively affect their everyday lives and the environment.



There was a 25% increase in seedling distribution (250,000 seedlings) and 360% increase in fruit tree distribution (700 trees) in 2023. When matured, these 700 trees will produce 1929 tons of oxygen and capture 723 tons of carbon.





SOCIAL IMPACT

We work tirelessly to achieve our purpose – for every future – for our employees, communities and customers. This includes the impact we have made through our community investments, partnerships and programmes and advancing our diverse, inclusive culture where employees and those in community are empowered to reach their full potential.

Community Investments and ScotiaRISE

Through our charitable arm, the Scotiabank Trinidad and Tobago Foundation the Bank continues to support environmental causes, health and wellness promotion, and local culture, education and sport. In 2023, our community initiatives have benefitted our community investments have benefitted 24,468 individuals and 17,336 youth: through working with 54 charities, schools and community groups.

We continue to align our investments to ScotiaRISE, our global community investment commitment, through which we are working to strengthen economic resilience among disadvantaged people and groups.

Here are a few of our key 2023 initiatives:

University Scholarships

Our support for students of the University of the West Indies is carried out in 2 tranches – regionally and locally. Regionally, for the past 12 years, Scotiabank has contributed to the UWI Scholarships across the 3 campuses in the Caribbean to help provide equal access to education for students in dire financial need. 19 scholarships are distributed annually. The Bank is also the lead sponsor of the UWI Toronto Benefit Gala, which since its inception, has raised over $2.3 million CAD and over 600 scholarships have been awarded.

Locally, for over 2 decades, we have assisted students at the University of the West Indies through our contribution of annual scholarships. The programme assists 10 students annually with scholarships of TT$10,000 each in the fields of Banking and Finance, Accounting, Computer Science and Information Technology, and Economics, to receive the financial aid they deserve.

Adulting 101

Scotiabank remains committed to helping provide young people with opportunities to discover their full potential and become well rounded individuals who contribute positively to their communities. Our continued partnership with Families in Action supports young adults each year, as they entered the next phase of their lives. They engaged in sessions focused on topics such as interview preparation and office protocols for young adults; developing effective communication skills; financial planning; social media management; entrepreneurship and the importance of paying it forward.



Write Away! Young Adult Literature Project

The Write Away! Young Adult Literature Project offers engaging digital content to support online English classes, available to all Secondary Schools via the Ministry of Education's School Learning Management System. The project is designed to keep students and teachers motivated and engaged in reading, writing, and online learning.

This year, Write Away! focused on non-fiction writing, preparing students for real life and work. We are pleased t work with Bocas Lit Fest o expose young people to the skills of creative writing and the opportunities this will foster – for their education and economic resilience.



Scotiabank NextGen Cricket Development Programme

We are committed to developing our youth athletes on and off the field. In the realm of cricket, the Scotiabank NextGen Cricket Development Programme consists of a Zonal Tournament as well as Developmental Workshops in both Under 13 and Under 15 categories. The physical, intellectual, social, emotional and spiritual development of 350 young cricketers have been enhanced through workshops on Financial Management, Leadership, Teamwork, Fair play and Time Management to name a few.

In 2023, the national U15 team was selected from the Scotiabank NextGen U15 Cricket Programme. We celebrate their success at CWI Rising Stars Tournament, where they represemted Trinidad and Tobago and brought home the winning trophy.





Scotiabank / NAAATT Deon Lendore Bursary Programme

To support junior athletes to achieve their full potential on and off the field, the Scotiabank / National Association of Athletics Administrators (NAAATT) Deon Lendore Bursary Programme has been launched. Deon Lendore was one of T&T's shining athletes who died tragically.

Through this initiative, 10 junior athletes, who show great potential to represent our country with distinction, were selected to receive a bursary of TT$10,000 each. This contribution supports with their athletic development as well as their educational needs. Many of these athletes represented Trinidad and Tobago at the 2023 CARIFTA Games and we're proud to be a part of their development.

Steelpan Education

To help continue the legacy of our national instrument and at the same time, provide our young people with opportunities to occupy their time in a constructive way, we have helped fund the purchase of steelpans and tutoring in steelpan education for schools and community groups.



Students at St. Mary's Mucurapo Boys' and Girls RC Primary Schools are now benefiting from new steelpans donated by Scotiabank through United Way Trinidad and Tobago's (UWTT) Building Bridges to Success Programme in early 2023.

In commemoration of World Steelpan Day 2023, This year, we pledged our continued support of steelpan education for the benefit of students at El Dorado East Secondary School, with the purchase of much needed new equipment. Furthermore, through United Way Trinidad and Tobago's (UWTT) Building Bridges to Success Programme, the Scotiabank Foundation has also committed to providing steelpans to Matura Government Primary School.



Youth Carpentry and Construction

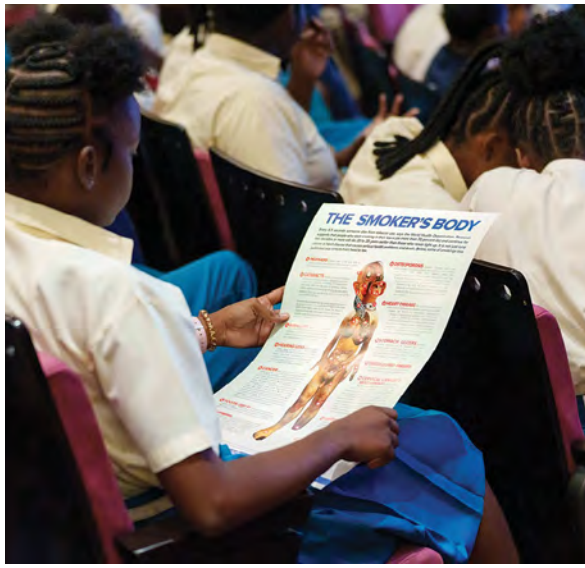
In 2023 we funded a youth skills training programme facilitated by Habitat for Humanity for young people ages 17-24 years. Through Habitat's partnerships with Police Youth Clubs nationwide, 184 participants are benefitting from Construction Technology and Youth Carpentry Training, as well as Financial Literacy and Credit Management.

The Construction Technology Programme provides training sessions from basic in masonry geared towards grass-root builders to an extensive six-week certified course. The certified course is a combination of a theory and practice where all core areas of construction are covered. The Youth Carpentry Training is a hands-on programme, facilitated to engage unemployed youth. It is a hands-on workshop, with the teams encouraged to work together to produce useable pieces of furniture. Participants are trained on how to build home furniture with accessible materials and share their experiences and acquired knowledge with other people in their community.

Youth Anti Vaping/No Smoking Campaign

Over the past 3 years, Scotiabank and the Trinidad and Tobago Cancer Society (TTCS) have been working together on the Can't Fool Me Campaign, which is geared towards educating youth and their parents on the health effects and dangers associated with smoking and vaping.

The initiative previously took a purely online format, particularly via social media, a result of the pandemic but this year, in person youth symposia were held in North and South Trinidad as well as in Tobago. Students, ages 12-17 from various schools attended the engaging and interactive sessions where the Can't Fool Me Campaign was used to communicate the dangers of smoking and vaping through videos, discussions, and a Q&A segment. At the end of each symposium, students were invited to make short presentations on what they learnt.







IN THE LAST 5 YEARS ALONE, WE HAVE DONATED $1.25M TOWARDS BREAST CANCER SCREENING INITIATIVES AND SINCE OUR INITIAL LAUNCH OF THE SCOTIABANK WOMEN AGAINST BREAST CANCER PROGRAMME,





Scotiabank Women Against Breast Cancer Programme

The Scotiabank Women Against Breast Cancer Programme continues to raise awareness of the importance of early detection and screening. Our 2 hallmark events – The Scotiabank Charity Golf Tournament and The Scotiabank Women Against Breast Cancer 5k raise funds to provide free cancer screening services.

In the last 5 years alone, we have donated $1.25m towards breast cancer screening initiatives and since our initial launch of the Scotiabank Women Against Breast Cancer programme, we have helped over 21,000 women access free screening. With the funds donated annually, our long-standing beneficiary, the Trinidad and Tobago Cancer Society (TTCS) continues its breast cancer screening initiatives, helping persons gain access to free screening services, particularly those from rural communities who may not ordinarily have access to the services.

2023 saw the return on the Gol Tournament, after a 3-year hiatus due to the pandemic. Funds raised were donated to the TTCS. 2023 also brings with it the return of the in-person 5k that will attract 5,000 participants all walking, jogging or running to raise awareness of cancer.









Employee Giving Back

As Scotiabankers, we understand the importance of giving back to the communities in which we live and work. This past year, employees readily volunteered their time to support various initiatives.

For Earth Day and World Environment Day, they supported our programme with the SURE Foundation, distributing seedlings in communities across Trinidad and Tobago.

Matura Government Primary School has received a facelift from Scotiabank, in commemoration of United Way's National Day of Caring (NDOC) 2023. Scotiabank employees and their families came out to repaint the exterior of the school.

Expertise and insights were also shared by employees for our various youth programmes. The Financial Planning, Interview Preparation and Emotional Intelligence workshops have been facilitated by members of our Finance and Human Resources teams.

Through Spark, our new global employee engagement platform, employees can find volunteer opportunities, log volunteer hours and donate funds. When volunteer hours are logged, funds are received which can then be donated to charity.

THROUGH SPARK, OUR NEW GLOBAL EMPLOYEE ENGAGEMENT PLATFORM, EMPLOYEES CAN FIND VOLUNTEER OPPORTUNITIES, LOG VOLUNTEER HOURS AND DONATE FUNDS.



ADVANCING DIVERSITY & INCLUSION IN OUR COMMUNITIES

Creating Opportunities for Youth with Disabilities

We've supported the National Centre for Persons with Disabilities' Beauty Culture and Agriculture Programme to expand and educate persons with disabilities, 14 years and over. Participants are being equipped with the needed skills for employment in the field or the ability to become entrepreneurs and rise up the economic ladder.



Women's Leadership

For the 9th year, we were the Platinum Sponsor of the American Chamber of Commerce (AMCHAM) Women's Leadership Conference, held in commemoration of International Women's Day under the theme Embrace Equity. The Conference saw hundreds of women from all spheres of life participate in numerous workshops. It also provided us with the opportunity to share our best practices related to inclusion and diversity.

Supporting and Empowering our Customers

Financial institutions have a vital role facilitating economic stability, financial inclusion and equity to enable a better future for everyone. We strive to remove bias from our processes so that our product and service offerings, marketing and procurement practices support and reflect the full breadth of the diverse communities and cultures we serve.

We recognize and appreciate the meaningful contributions seniors make to our communities and support their banking and accessibility needs. To help our Senior customers bank with confidence, we hosted in person Digital Seniors Training workshops. 330 customers participated at 9 branches They all signed up to use the Scotia Caribbean App and Scotia OnLine Banking and learned how to add bill payees, transfer recipients, share receipts, view e-statements and more.



Providing the best banking services means creating an environment that takes into account and respects the requirements and needs of all our customers. In keeping with this, we adopted a more inclusive approach to the customer experience journey, through having sign language trained front-line employees at each branch.

As we look ahead, we are optimistic about the positive role that our Bank can have in addressing some of today's most pressing social and environmental challenges. In carrying out our work, we will continue to hold ourselves accountable, engage collaboratively with our stakeholders and maximize our impact as we build a more sustainable world for every future.



NOTICE OF ANNUAL MEETING

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

To: Shareholders of Scotiabank Trinidad and Tobago Limited

You are invited to our 54th Annual Meeting of Shareholders.

When: Friday 15th March 2024 at 2:00 p.m.

Where: The Hyatt Regency Hotel, Port of Spain, Trinidad

Our meeting will cover:

As Ordinary Business:

Financial statements – You will receive the financial statements for the fiscal year ended 31st October 2023 and the Auditors' Report on those financial statements.

Directors – You will elect directors to our Board. In the Annual Report you will find information about each nominated director, including his or her background and experience, and in the Proxy form you will find a proposed resolution for the election or re-election of each nominated director as appropriate. All directors are elected for a term of one year.

Auditors – You will vote on re-appointing KPMG as auditors. On the recommendation of the Board's Audit and Conduct Review Committee, the Board has proposed that KPMG be re-appointed as the Bank's auditors.

Other business – If other items of business are properly brought before the meeting, or after any adjournment, you (or your proxyholder if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at the Annual Meeting.

BY ORDER OF THE BOARD



Kimi Rochard
Corporate Secretary
7th February 2024

Notes:

1. A Management Proxy Circular is appended to this Notice.
2. The Directors of the Company have fixed a record date of 1st February 2024 for the determination of shareholders who are entitled to receive notice of the Annual Meeting. Only shareholders on record at the close of business on 1st February 2024 are entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination at the Company's Registered Office during usual business hours and at the Annual Meeting.
3. A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder. To be valid the Proxy Form must be completed and signed in accordance with the Notes on the Proxy Form and then deposited with The Registrar, The Trinidad and Tobago Central Depository Limited, 10th Floor, Nicholas Towers, 63-65 Independence Square, Port of Spain, Trinidad, or emailed to registrar@stockex.co.tt at least 48 hours before the time appointed for the Meeting.
4. A shareholder that is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or of its governing body to represent it at the Annual Meeting.

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH. 81:01
(Section 144)

1. Name of Company:

SCOTIABANK TRINIDAD AND TOBAGO LIMITED **Company No.:** S. 7610 (95) A

2. Particulars of Meeting:

Fifty-fourth Annual Meeting of the Shareholders of the Company to be held on Friday 15th March 2024 at 2:00 p.m. at The Hyatt Regency Hotel, Port of Spain, Trinidad

3. Solicitation:

It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular; and, in the absence of a specific direction, in the discretion of the Proxy-holder in respect of any other resolution.

4. Any Director's statement submitted pursuant to Section 76(2):

No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, Ch. 81:01.

5. Any Auditor's proposal submitted pursuant to Section 171(1):

No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, Ch. 81:01.

6. Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):

No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, Ch. 81:01.

Date	Name and Title	Signature
7th February 2024	Kimi Rochard Corporate Secretary	

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH. 81:01
(Section 143(1))

FORM OF PROXY

1. Name of Company:

SCOTIABANK TRINIDAD AND TOBAGO LIMITED **Company No.:** S. 7610 (95) A

2. Particulars of Meeting:

Fifty-fourth Annual Meeting of Shareholders to be held at the Hyatt Regency, Port of Spain, Trinidad on Friday 15th March 2024 at 2.00 p.m.

I/We .....

(Block Letters Please)

Of .....

(Address)

Shareholder(s) in the above Company, appoint the Chairman of the Meeting, or (see Note 1 overleaf)

failing him, ...of.....

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting, and any adjournment thereof in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof, and in respect of the resolutions below to vote in accordance with my/our instructions below.

Dated this.....day of ....., 2024.

.....

(Signature(s) of Shareholder(s))

(Please indicate with an "X" in the spaces overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy may vote or abstain from voting as he/she thinks fit.)

Please consider the **Notes 1 to 7** overleaf to complete and deposit this Proxy Form.

ORDINARY BUSINESS		FOR	AGAINST
RESOLUTION 1	THAT the following persons shall each be elected a Director of the Company for the term from the date of his or her election until the close of the first Annual Meeting of the Company following election, subject always to earlier termination in accordance with the By-Law of the Company:		
	PLEASE VOTE BY CHECKING EITHER THE BOX "FOR" OR THE BOX "AGAINST" FOR EACH INDIVIDUAL DIRECTOR.		
	1. Mr. Derek Hudson	1.	
	2. Ms. Gayle Pazos	2.	
	3. Ms. Anya Schnoor	3.	
	4. Mr. Steve Ragobar	4.	
	5. Mrs. Lisa Mackenzie	5.	
	6. Mr. Alan Fitzwilliam	6.	
	7. Ms. Anique Asher	7.	
	8. Mr. David Thomas	8.	
	9. Mr. John Hadad	9.	
	10. Mrs. Camille Chatoor	10.	
	11. Mrs. Aileen Corrigan	11.	
	12. Ms. Amalia Maharaj	12.	
RESOLUTION 2	BE IT RESOLVED: THAT KPMG be re-appointed as auditors of the Company.		

Notes:

1. A Shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the Meeting" from the Proxy Form and insert the name and address of the person appointed proxy in the space provided and initial the alteration.
2. If the appointer is a corporation, this Proxy Form must be under its common seal or under the hand of a duly authorized officer or attorney.
3. The Directors of the Company have fixed a record date of 1st February 2024 for the determination of shareholders who are entitled to receive notice of the Annual Meeting. Only shareholders on record at the close of business on 1st February 2024 are entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Company's Registered Office during usual business hours and at the Annual Meeting.
4. A Shareholder that is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or of its governing body to represent it at the Annual Meeting.
5. In the case of joint Shareholders, the names of all joint Shareholders must be stated on the Proxy Form and all joint Shareholders must sign the Proxy Form.
6. If the Proxy Form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
7. To be valid, this Proxy Form must be completed and sent by email or deposited at the office of The Registrar, The Trinidad and Tobago Central Depository Limited, at the address below at least 48 hours before the time appointed for the Meeting or any adjourned Meeting.

Return to:

registrar@stockex.co.tt

or

The Registrar
The Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Towers,
63-65 Independence Square,
Port of Spain,
Trinidad, West Indies.

HONOURED.

We're **honoured to be the first** Bank in Trinidad and Tobago to be recognised at **Euromoney's Awards for Excellence 2023** for our progress in transforming our business digitally, via continuous features being added to the **Scotia Caribbean App**, including the launch of the **Scotia SelectPay**™ credit card payment feature, **Scotia eCom+**™, the Bank's e-commerce solution and **Digital Account Opening**.

Louise Bowman (Editor of Euromoney) said the following about the 2023 Country Awards: "We seek the best of the best in all countries offering banking services. As every year, size is important but certainly not paramount. Profitability is vital, but so is an ability to demonstrate growth, relative outperformance compared with peers and the ability to adapt to changing market conditions and/or client needs. We look at the achievements that show that your bank, rather than any other, is the best-run bank in your country."

Commenting on the Bank's achievement, Gayle Pazos, Senior Vice President and Managing Director, Scotiabank Trinidad and Tobago said: "The accolade follows a bumper 2022, where we copped three (3) Best Bank / Bank of the Year Trinidad and Tobago titles. Thanks to our Scotiabankers for their unwavering commitment to go above and beyond every day, continuously operating with a customer-first mindset. We are tremendously grateful to our customers who continue to place their trust in us. Their ongoing feedback empowers us to build a better bank, introducing new services, products and tools that help make banking with us easier. We remain committed to offering them a best-in-class banking experience."



Scotiabank®

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62 – SCOTIA (627 – 2684)

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