MEDIA RELEASE

For the Quarter ended 31st January, 2018

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Scotiabank Reports First Quarter Results

FINANCIAL MEASURES:	THREE MONTHS ENDED 31 JANUARY 2018	THREE MONTHS ENDED 31 JANUARY 2017
Income after Taxation	$148MM	$170MM
Dividends per share	50.0c	50.0c
Earnings per share	83.8c	96.6c
Return on Equity	15.05%	17.79%
Return on Assets	2.44%	2.88%

Scotiabank Trinidad and Tobago Ltd (Scotiabank) today reported income after taxation of $148 million for the quarter ended 31 January 2018, a decrease of $23 million or 13% over the comparative period last year. This reduction in profitability was driven by higher levels of loan loss provisioning combined with the increased corporation tax rates levied on commercial banks at 35%. This is indicative of the economic environment in which we operate, as we continue to adopt prudent risk management policies to protect the interests of all our stakeholders.

Concurrent with the decline in profitability, our Earnings per Share has decreased to 83.8 cents, Return on Equity to 15.05% and Return on Assets to 2.44%, when compared to 31 January 2017.

Based on this performance, the Board of Directors has approved a 1st quarter dividend of 50 cents per ordinary share payable on 13 April 2018 to shareholders on record as at 14 March 2018.

In commenting on the results, Stephen Bagnarol, Managing Director said:

The Bank's performance for the first quarter of fiscal 2018 is indicative of the challenging economic environment in which we operate. In light of these conditions, we continue to adopt robust expense management initiatives and credit risk management policies. As a result, our core performance continues to be driven by solid growth in our retail business combined with a containment of expenses and conservative loan loss provisioning. Retail loans grew by $575 million or 5%, highlighting the continued confidence our customers have in our bank despite the slowdown in credit demand.

As we continue to execute on our strategic priorities and focus on our customers, we are also focused on building a better bank through our "digital first" strategy and developing new and innovative tools to make it easier for our customers to bank with us. In this quarter we launched Trinidad & Tobago's first digital branch at Price Plaza, Chaguanas. The strategic focus has been on expanding the alternative channels for our customers to conduct day to day transactions, with the digital branch now focusing on providing financial advice and solutions-type discussions with our customers.

This is just the start, as the Bank continues to be at the helm of the digital banking revolution in Trinidad & Tobago.

In my first three months in this role, I have been impressed by the calibre, commitment and passion of our staff. These will help drive Scotiabank not to be simply the best bank in the country, or the best bank in the region, but the best in class globally.

"The bank continues to be at the helm of the digital banking revolution in Trinidad & Tobago"

Stephen Bagnarol
Managing Director

Scotiabank

MEDIA RELEASE

For the Quarter ended January 31st 2018

REVENUE

Total Revenue, comprising of Net Interest Income and Other Income was $445 million for the period ended 31 January 2018, was flat when compared to the same period last year. Net Interest Income for the period ended 31 January 2018 was $321 million, $14 million or 5% higher when compared to same time last year driven mainly by growth in our retail loans and investment securities portfolios.

Other Income for the same period was $124 million, $14 million lower than the prior year mainly due to lower revenues from our insurance subsidiary.

NON- INTEREST EXPENSES AND OPERATING EFFICIENCY

Total Non-Interest Expenses (NIE) for the period ended 31 January 2018 was $174 million, higher by $1 million when compared to the same period in 2017. As we confront challenging economic conditions, we continue to focus on controlling operating expenditure and improving operating efficiency.

The operating efficiency ratio (Total NIE / Total Revenue) is 39% as at 31 January 2018, an improvement from 42% last quarter. This continues to solidify our position as best in class in our peer group within Trinidad and Tobago.

Loan Loss Expense

Loan Loss Expense for the period ending 31 January 2018 was $45 million, an increase of $17 million over the prior year. This increase is reflective of the impact on loan delinquency in a challenging economic environment combined with prudent risk management policies and growth in the loan book. Notwithstanding the above, our credit quality continues to be high as demonstrated by the ratio of non-performing loans as a percentage of gross loans at 2.23%.

Taxation

Taxation Expense for the period ending 31 January 2018 was $78 million, an increase of $4 million over the prior year. This includes the higher corporation tax rate from 30% to 35% effective this year, which had an impact of $11 million on profitability.

BALANCE SHEET

Total Assets were $23.7 billion as at 31 January 2018 representing growth of $57 million over 31 January 2017. Loans to Customers, the Bank's largest asset category, closed the period at $14.2 billion, an increase of $248 million or 2% compared to 2017.

Our most significant category of assets, retail loans grew by $575 million or 5% over 2017. We have started the year off strongly, with $210 million growth for this quarter.
Treasury Bills of $3.5 billion as at 31 January 2018 increased by $310 million or 10% when compared to the same period last year. The Bank is consistently seeking opportunities to ensure that surplus liquidity is deployed in higher yielding short to medium term instruments.

As at 31 January 2018, Total Liabilities decreased by $58 million to $19.9 billion. The main component of this is deposits being $17.8 billion which decreased by $207 million. Policyholders' Funds in our Scotia Insurance subsidiary over the past year grew by $127 million to $1.4 billion, underpinning our continued growth in the insurance segment which contributed 16% to our profitability for the quarter ended 31 January 2018.

SHAREHOLDERS' EQUITY

Total Shareholders' Equity closed the period at $3.8 billion, an increase of $115 million or 3% when compared to the balance as at 31 January 2018. The Bank's capital adequacy ratio stood at 24.3% as at 31 January 2018 which continues to be significantly above the minimum capital adequacy ratio of 8% as specified by local regulators.

CORPORATE SOCIAL RESPONSIBILITY

In the first quarter of this fiscal, Scotiabank continued its commitment to Corporate Social Responsibility making a positive impact on the lives of youth and communities throughout the country. Over 3,000 young persons benefited from our support of 200 NGOs, including schools and community groups.

Empowering Women to Lead Healthier Lives

Our partnership with HADCO Limited plays an integral role in facilitating cancer screening for women in rural communities. Every year, HADCO joins us for the cause of raising awareness and prevention of breast cancer. In November, the Scotiabank Foundation received their contribution of $45,000 from the annual Yoplait Save the Lids breast cancer campaign. This year's donation will enable more women to benefit from free breast cancer screening, facilitated by the Trinidad and Tobago Cancer Society.

Investing in a West Indian Legacy

A highlight of the annual Kiddy Cricket programme is the Academic component aimed at instilling a practical knowledge of the game in a fun and creative environment. This aspect of the programme remains unique to Trinidad and Tobago and involves teachers delivering classroom sessions in accordance with the curriculum in Mathematics, Social Studies, Language Arts and IT.

This year's Awards Ceremony of this component was held in November. Students from participating schools received awards in several categories including Art, Creative Writing, Poetry, Song and Top performing school.

Investing in the financial wellbeing of our Youth

Since 2000, Scotiabank has partnered with the University of the West Indies (UWI) to help 1st and 2nd year students to achieve their educational goals. Based on their application criteria, students enrolled in the Faculties of Social Sciences, Science and Agriculture and Natural Sciences, are selected to receive a bursary to assist with their financial needs. This year, in recognition of the overall reduced funding, and the economic environment, Scotiabank's aid and financial support was increased to $100,000. Ten students each received $10,000 at a ceremony hosted by UWI on Thursday, November 23rd.

Sustaining the legacy of Steelpan
Scotiabank remained committed to the support of the national instrument, the Steelpan, through its annual donations to unsponsored Steelbands. This year, seven (7) bands were selected to receive donations of $10,000 each. Bands were selected based on youth membership and community involvement. The donations were positively received in light of an overall reduction in corporate sponsorship and assisted the bands in their preparation for the National Panorama Competition. This ongoing program is testimony to Scotiabank's support of national culture and enabling opportunities for youth and communities to become better off.

Enriching the Lives of our Nation's Youth
In the first quarter of the fiscal year, Scotiabank remained committed to its Corporate Social Responsibility by providing opportunities for youth and communities to become better off. Partnerships with smaller, though reputable NGOs like Playable Caribbean Limited, The A.R.R.O.W Foundation and Community Intervention for Transformation and Empowerment enabled the delivery of services in education, sport, and life skills development to improve quality of life for disabled and disadvantaged youth.

Scotiabank Trinidad and Tobago Limited takes this opportunity to thank all of our shareholders and customers for your loyalty, commitment, trust and confidence you continue to show in us. Our continued success is as a result of the great execution by our team of skilled and dedicated employees and we thank them for their professionalism and commitment.

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2018

Scotiabank*

To Our Shareholders

The Directors announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of $148 million for the quarter ended 31 January 2018, a decrease of $23 million or 13% over the same period last year. This decline in profitability is driven by higher loan losses as a result of the challenging economic environment in which we operate and the effect of the higher corporation tax rate being levied on banks in 2018.

The Group recorded higher net interest income of $14 million or 5% over the prior year driven by higher retail loan volumes and higher interest income from investment securities. This was largely offset by lower income from other fee income lines. Total assets at $23.7 billion increased by $57 million when compared to same time last year.

The Group continues to maintain a stable cost base as evidenced by a low productivity ratio of 39%. Loan loss expenses increased by $17 million when compared to the same period last year as the Group continues to exercise a prudent risk management approach in managing its loan loss provisioning in this challenging economic environment. Despite this increase, the credit quality of our loan portfolio continues to be solid as the ratio of non-accrual loans to total loans stood at 2.23% at the end of the period.

Based on these results, the Directors are pleased to announce a quarterly final dividend of 50 cents per share (2017 – 50 cents) payable on 13 April 2018 to shareholders on record as at 14 March 2018.

5 March, 2018

Brendan King
Chairman

Stephen Bagnarol
Managing Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (STATED IN $'000)

	UNAUDITED As at 31 January 2018	UNAUDITED As at 31 January 2017	AUDITED As at 31 October 2017
ASSETS			
Cash on hand and in transit	$ **101,078**	177,032	$ 225,376
Due from banks and related companies	**1,243,658**	638,649	1,344,017
Treasury bills	**3,483,694**	3,173,826	3,925,171
Deposits with Central Bank	**2,819,412**	3,086,531	2,826,390
Net loans to customers	**14,189,620**	13,942,092	13,955,789
Investment securities	**1,370,172**	2,243,615	1,713,788
Investment in associated companies	**30,447**	30,913	30,447
Deferred tax assets	**45,725**	36,256	43,940
Property, plant and equipment	**248,933**	249,699	246,780
Miscellaneous assets	**179,040**	63,472	70,025
Retirement benefit asset	**6,927**	19,287	8,646
Goodwill	**2,951**	2,951	2,951
TOTAL ASSETS	$ **23,721,657**	23,664,323	$ 24,393,320
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	$ **17,789,261**	17,996,404	$ 18,538,048
Due to banks and related companies	**153,806**	201,424	38,088
Other liabilities	**330,157**	285,545	314,678
Taxation payable	**64,993**	53,733	48,088
Policyholders' funds	**1,376,035**	1,248,231	1,332,623
Retirement benefit obligation	**129,565**	129,479	126,633
Deferred tax liabilities	**42,101**	29,234	40,769
TOTAL LIABILITIES	**19,885,918**	19,944,050	20,438,927
SHAREHOLDERS' EQUITY			
Stated capital	**267,563**	267,563	267,563
Statutory reserve fund	**688,201**	678,032	688,201
Investment revaluation reserve	**5,599**	(2,975)	7,519
Retained earnings	**2,874,376**	2,777,653	2,991,110
TOTAL SHAREHOLDERS' EQUITY	**3,835,739**	3,720,273	3,954,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ **23,721,657**	23,664,323	$ 24,393,320

CONSOLIDATED STATEMENT OF INCOME (STATED IN $'000)

	UNAUDITED Three months ended 31 January 2018	UNAUDITED Three months ended 31 January 2017	AUDITED Year ended 31 October 2017
NET INTEREST AND OTHER INCOME			
Net Interest Income	$ **320,961**	$ 306,858	$ 1,244,236
Other Income	**123,935**	137,899	481,210
Total Revenue	**444,896**	444,757	1,725,446
NON-INTEREST EXPENSES	**174,146**	172,712	685,669
INCOME BEFORE TAXATION AND LOAN LOSS	**270,750**	272,045	1,039,777
Loan loss expense	**44,964**	28,132	105,597
INCOME BEFORE TAXATION	**225,786**	243,913	934,180
Provision for taxation	**78,004**	73,627	276,516
INCOME AFTER TAXATION	$ **147,782**	$ 170,286	$ 657,664
Dividends per share	**50.0c**	50.0c	300.0c
Earnings per share	**83.8c**	96.6c	372.9c

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (STATED IN $'000)

	UNAUDITED Three months ended 31 January 2018	UNAUDITED Three months ended 31 January 2017	AUDITED Year ended 31 October 2017
NET INCOME FOR THE YEAR	$ **147,782**	$ 170,286	$ 657,664
OTHER COMPREHENSIVE INCOME			
Remeasurement of post-employment benefits asset/obligation, net of tax	**-**	-	763
Revaluation of available-for-sale investments, net of tax	**(1,920)**	(6,131)	4,363
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	$ **145,862**	$ 164,155	$ 662,790

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JANUARY 2018

Scotiabank*

CONSOLIDATED STATEMENT OF CASH FLOWS (STATED IN $'000)

		UNAUDITED Three months ended 31 January 2018		UNAUDITED Three months ended 31 January 2017		AUDITED Year ended 31 October 2017
Cash flows from operating activities						
Net income after taxes	$	**147,782**	$	170,286	$	657,664
Change in loans		**(248,329)**		(672,917)		(684,976)
Change in deposits		**(749,013)**		425,279		967,231
Taxation paid		**(60,256)**		(118,550)		(326,277)
Other adjustments to reconcile income after taxation to net cash from operating activities		**165,285**		389,666		832,235
Net cash from (used in) operating activities	$	**(744,531)**	$	193,764	$	1,445,877
Cash flows used in investing activities						
Change in Treasury Bills with original maturity date due over 3 months	$	**441,413**	$	(83,154)	$	(859,796)
Change in investments		**344,444**		25,658		552,798
Purchase of property, plant and equipment		**(1,467)**		(2,788)		(14,428)
Proceeds from disposal of property, plant & equipment		**-**		0		240
Net cash from (used in) in investing activities	$	**784,390**	$	(60,284)	$	(321,186)
Cash flows used in financing activities						
Dividends paid		**(264,516)**		(317,419)		(581,934)
Net cash used in financing activities	$	**(264,516)**	$	(317,419)	$	(581,934)
Increase (decrease) in cash and cash equivalents	$	**(224,657)**	$	(183,939)	$	542,757
Cash and cash equivalents, beginning of period		**1,569,393**		1,026,636		1,026,636
Cash and cash equivalents, end of period	$	**1,344,736**	$	842,697	$	1,569,393
Cash and cash equivalents						
Cash on hand and in transit	$	**101,078**	$	177,032	$	225,376
Due from banks and related companies		**1,243,658**		638,649		1,344,017
Treasury bills with original maturity date not exceeding 3 months		**-**		27,016		-
Cash and cash equivalents	$	**1,344,736**	$	842,697	$	1,569,393

SEGMENT REPORTING (STATED IN $'000)

		Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED Three months ended 31 January 2018						
Total Revenue	$	403,336	1,620	39,059	881	444,896
Material non-cash items						
Depreciation		4,298	-	-	-	4,298
Income before taxation	$	193,658	878	30,429	821	225,786
Assets	$	14,189,620	38,028	2,081,884	7,412,125	23,721,657
Liabilities	$	17,789,261	967	1,420,629	675,061	19,885,918
UNAUDITED Three months ended 31 January 2017						
Total Revenue	$	397,383	1,326	45,187	861	444,757
Material non-cash items						
Depreciation		4,455	-	-	-	4,455
Income before taxation	$	205,230	833	36,995	855	243,913
Assets	$	13,942,092	35,462	1,825,325	7,861,444	23,664,323
Liabilities	$	17,996,404	423	1,262,047	685,176	19,944,050
AUDITED Year ended 31 October 2017						
Total Revenue	$	1,562,272	5,628	154,123	3,423	1,725,446
Material non-cash items						
Depreciation		18,069	-	-	-	18,069
Income before taxation	$	802,311	3,349	125,241	3,279	934,180
Assets	$	13,955,789	36,703	2,000,801	8,400,027	24,393,320
Liabilities	$	18,538,048	670	1,362,501	537,708	20,438,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (STATED IN $'000)

		Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED Three months ended 31 January 2018						
Balance as at 31 October 2017	$	**267,563**	**688,201**	**7,519**	**2,991,110**	**3,954,393**
Net income for the year		**-**	**-**	**-**	**147,782**	**147,782**
Other comprehensive income, net of tax						
- Revaluation of available-for-sale investments		**-**	**-**	**(1,920)**	**-**	**(1,920)**
- Remeasurement of post-employment benefits asset/obligation		**-**	**-**	**-**	**-**	**-**
Total comprehensive income	$	**-**	**-**	**(1,920)**	**147,782**	**145,862**
Transactions with owners, recorded directly into equity						
Transfer to statutory reserve		**-**	**-**	**-**	**-**	**-**
Dividends paid		**-**	**-**	**-**	**(264,516)**	**(264,516)**
				-	**(264,516)**	**(264,516)**
Balance as at 31 January 2018	$	**267,563**	**688,201**	**5,599**	**2,874,376**	**3,835,739**
UNAUDITED Three months ended 31 January 2017						
Balance as at 31 October 2016	$	267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year		-	-	-	170,286	170,286
Other comprehensive income, net of tax						
- Revaluation of available-for-sale investments		-	-	(6,131)	-	(6,131)
- Remeasurement of post-employment benefits asset/obligation		-	-	-	-	-
Total comprehensive income	$	-	-	(6,131)	170,286	164,155
Transactions with owners, recorded directly into equity						
Transfer to statutory reserve		-	10,150	-	(10,150)	-
Dividends paid		-	-	-	(317,419)	(317,419)
		-	10,150	-	(327,569)	(317,419)
Balance as at 31 January 2017	$	267,563	678,032	(2,975)	2,777,653	3,720,273
AUDITED Year ended 31 October 2017						
Balance as at 31 October 2016	$	267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year		-	-	-	657,664	657,664
Other comprehensive income, net of tax						
- Revaluation of available-for-sale investments		-	-	4,363	-	4,363
- Remeasurement of post-employment benefits asset/obligation		-	-	-	763	763
Total comprehensive income	$	-	-	4,363	658,427	662,790
Transactions with owners, recorded directly into equity						
Transfer to statutory reserve		-	20,319	-	(20,319)	-
Dividends paid		-	-	-	(581,934)	(581,934)
		-	20,319	-	(602,253)	(581,934)
Balance as at 31 October 2017	$	267,563	688,201	7,519	2,991,110	3,954,393

Significant Accounting Policies:

Basis of preparation

These financial statements, in all material aspects, have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are the same as were followed in the financial statements as at 31 October 2017.

Comparative information

Comparative amounts in the Consolidated Statement of Income have been restated to conform to presentation changes in the current financial period.