

To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Ltd (Scotiabank) realised net income after tax of \$144.3 million for the three-month period ended 31 January 2014, an increase of \$2.2million or 1.6% over the same period last year. Total assets ended the period at \$19.8 billion, representing growth of 9.7% or \$1.7 billion over the comparative period one year ago.

The economic environment remains challenging, however, there are signs of increased consumer confidence, which is reflected in the strong demand for consumer credit. The prolonged low interest rate environment continues to compress margins as evidenced by the decline in net interest income year over year. It is against this backdrop that we continue to focus on diversifying our revenue base and growing non-interest revenue, while looking for opportunities to enhance our non-branch sales channels to increase operational efficiency.

Our strategies to manage credit risk continue to trend positively with non-performing loans now representing 2.1% of total loans as at the end of quarter. Our Capital Adequacy Ratio remains strong at 28.33%, well above the regulatory minimum of 8% and the Bank is confident that its focus on prudent risk management will

allow it to continue to grow in the current economic environment. 2014 marks the Bank's 60th anniversary in Trinidad and Tobago and we look forward to celebrating this important milestone with our customers and shareholders throughout the year.

On the basis of this performance, the Directors have resolved that the Bank pay a first interim dividend of 40 cents per ordinary share (2013 – 40 cents) on 2 April 2014 to shareholders on record at 4 March 2014.

24 February 2014



Sylvia D. Chrominska
Chairperson



Anya M. Schnoor
Managing Director

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 2013, except for the adoption of IAS 19 Revised - Employee Benefits.

Retirement benefit asset / obligation

The Group adopted IAS 19 - Revised, which is mandatory for the 2014 financial statements. IAS 19 - Revised requires the recognition of accumulated actuarial losses arising from experience adjustments and changes in actuarial assumptions in respect of prior years, resulting in the restatement of 2012 and 2013 results as detailed in the following table.

Statement of Financial Position as at October 31, 2013	Retirement benefit asset \$'000	Retirement benefit obligation \$'000	Deferred tax liability \$'000	Retained earnings \$'000	Other comprehensive income \$'000
As previously reported	71,508	116,308	46,610	2,554,340	4,609
Adjustment for IAS 19 Employee Benefits - Revised - 2012	(70,119)	20,189	(22,577)	(67,731)	-
Adjustment for IAS 19 Employee Benefits - Revised - 2013	11,477	(8,275)	4,938	14,814	18,738
Restated - 2013	12,866	128,222	28,971	2,501,423	23,347

Comparative information

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

Consolidated Statement of Financial Position (Stated In \$'000)

	UNAUDITED As at 31 January 2014	RESTATED As at 31 January 2013	RESTATED As at 31 October 2013
ASSETS			
Cash on hand and in transit	\$ 119,843	\$ 124,632	\$ 147,056
Due from banks and related companies	1,833,402	1,599,420	2,152,601
Treasury bills	2,349,482	1,732,391	1,943,181
Deposits with Central Bank	3,160,520	2,893,853	3,117,981
Net loans to customers	10,801,513	10,099,135	10,575,610
Investment securities	1,178,859	1,208,831	1,187,941
Investment in associate companies	21,463	18,823	21,463
Property, plant and equipment	242,559	295,434	244,263
Miscellaneous assets	93,128	79,070	86,990
Goodwill	2,951	2,951	2,951
TOTAL ASSETS	\$ 19,803,720	\$ 18,054,540	\$ 19,480,037
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 14,659,180	\$ 13,220,570	\$ 14,391,447
Due to banks and related companies	75,510	147,614	51,326
Other liabilities	282,984	285,506	312,332
Securities sold under repurchase agreement	-	2,263	-
Provision for taxation	34,704	26,845	29,403
Policyholders' funds	773,061	651,848	735,565
Debt security in issue	618,000	618,000	618,000
Deferred tax liability	30,448	13,977	28,971
TOTAL LIABILITIES	16,473,887	14,966,623	16,167,044
SHAREHOLDERS' EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	532,563	457,563	502,563
Investment revaluation reserve	37,464	38,118	41,444
Retained earnings	2,492,243	2,324,673	2,501,423
TOTAL SHAREHOLDERS' EQUITY	3,329,833	3,087,917	3,312,993
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 19,803,720	\$ 18,054,540	\$ 19,480,037

Consolidated Statement of Income (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2014	RESTATED Three months ended 31 January 2013	RESTATED Year ended 31 October 2013
NET INTEREST AND OTHER INCOME			
Net Interest Income	\$ 223,647	\$ 224,736	\$ 896,959
Other Income	140,945	123,117	491,963
Net Interest and Other Income	364,592	347,853	1,388,922
NON-INTEREST EXPENSES			
Loan loss expense	4,392	9,013	4,129
Other	169,479	153,694	653,532
Non-Interest Expenses	173,871	162,707	657,661
INCOME BEFORE TAXATION	190,721	185,146	731,261
Provision for taxation	(46,460)	(43,098)	(173,990)
INCOME AFTER TAXATION	\$ 144,261	\$ 142,048	\$ 557,271
Dividends Paid & Proposed for financial year	\$ 70,538	\$ 70,538	\$ 335,053
Dividends per share	40.0c	40.0c	190.0c
Earnings per share	81.8c	80.6c	316.0c
Return on Equity	17.23%	18.16%	17.32%
Return on Total Assets	2.91%	3.15%	2.99%
Market Value	\$ 73.01	\$ 65.50	\$ 71.51

Consolidated Statement Of Total Comprehensive Income (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2014	RESTATED Three months ended 31 January 2013	RESTATED Year ended 31 October 2013
NET INCOME	\$ 144,261	\$ 142,048	\$ 557,271
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit liability (asset)	-	598	18,738
Revaluation of available-for-sale investments, net of tax	(3,980)	1,283	4,609
TOTAL COMPREHENSIVE INCOME, NET OF TAX	\$ 140,281	\$ 143,929	\$ 580,618

Consolidated Cash Flows (Stated In \$'000)

	UNAUDITED Three months ended 31 January 2014	RESTATED Three months ended 31 January 2013	RESTATED Year ended 31 October 2013
Cash flows from operating activities			
Net income before taxes	\$ 190,721	\$ 185,617	\$ 736,493
(Increase) / Decrease in loans	(225,903)	(140,758)	(617,232)
Change in deposits	267,732	289,713	1,460,590
Change in securities sold under repurchase agreement	-	(10,052)	(12,315)
Taxation paid	(39,086)	(35,066)	(153,920)
Other adjustments to reconcile income before taxation to net cash from operating activities	(11,414)	65,665	(118,157)
Net cash from operating activities	\$ 182,050	\$ 355,119	\$ 1,295,459
Cash flows used in investing activities			
Change in Treasury bills with original maturity date due over 3 months	\$ (293,912)	\$ 5,045	\$ (614,538)
(Increase) / Decrease in investments	4,127	(109,949)	(92,214)
Purchase of property, plant and equipment	(3,227)	(11,966)	(48,458)
Proceeds from disposal of property, plant & equipment	-	185	70,664
Net cash used in investing activities	\$ (293,011)	\$ (116,685)	\$ (684,546)
Cash flows used in financing activities			
Change in debt security in issue	\$ -	\$ -	\$ -
Dividends paid	(123,441)	(105,806)	(317,419)
Net cash used in financing activities	\$ (123,441)	\$ (105,806)	\$ (317,419)
Increase in cash and cash equivalents	\$ (234,402)	\$ 132,628	\$ 293,494
Cash and cash equivalents, beginning of period	2,479,756	2,186,262	2,186,262
Cash and cash equivalents, end of period	\$ 2,245,354	\$ 2,318,890	\$ 2,479,756
Cash and cash equivalents			
Cash on hand and in transit	\$ 119,843	\$ 124,632	\$ 147,056
Due from banks and related companies with original maturity date not exceeding 3 months	1,833,402	1,599,420	2,152,601
Treasury bills with original maturity date not exceeding 3 months	292,109	594,838	180,099
Cash and cash equivalents	\$ 2,245,354	\$ 2,318,890	\$ 2,479,756

Consolidated Statement Of Changes In Equity For The Period Ended 31 January 2014 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED THREE MONTHS ENDED 31 JANUARY 2014					
Restated balance as at 31 October 2013	\$ 267,563	502,563	41,444	2,501,423	3,312,993
Net income for the year	-	-	-	144,261	144,261
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	(3,980)	-	(3,980)
- Remeasurement of defined benefit liability (asset)	-	-	-	-	-
Total comprehensive income	-	-	(3,980)	144,261	140,281
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	30,000	-	(30,000)	-
Dividends paid	-	-	-	(123,441)	(123,441)
	-	30,000	-	(153,441)	(123,441)
Balance as at 31 January 2014	\$ 267,563	532,563	37,464	2,492,243	3,329,833
RESTATED THREE MONTHS ENDED 31 JANUARY 2013					
Balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,395,564	3,117,525
Impact of change in accounting policy	-	-	-	(67,731)	(67,731)
Restated balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,327,833	3,049,794
Restated net income for the year	-	-	-	142,048	142,048
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	1,283	-	1,283
- Remeasurement of defined benefit liability (asset)	-	-	-	598	598
Total comprehensive income	-	-	1,283	142,646	143,929
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	40,000	-	(40,000)	-
Dividends paid	-	-	-	(105,806)	(105,806)
	-	40,000	-	(145,806)	(105,806)
Restated balance as at 31 January 2013	\$ 267,563	457,563	38,118	2,324,673	3,087,917
RESTATED YEAR ENDED 31 OCTOBER 2013					
Balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,395,564	3,117,525
Impact of change in accounting policy	-	-	-	(67,731)	(67,731)
Restated balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,327,833	3,049,794
Restated net income for the year	-	-	-	557,271	557,271
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	4,609	-	4,609
- Remeasurement of defined benefit liability (asset)	-	-	-	18,738	18,738
Total comprehensive income	-	-	4,609	576,009	580,618
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	85,000	-	(85,000)	-
Dividends paid	-	-	-	(317,419)	(317,419)
	-	85,000	-	(402,419)	(317,419)
Restated balance as at 31 October 2013	\$ 267,563	502,563	41,444	2,501,423	3,312,993

Segment Reporting For The Period Ended 31 January 2014 (Stated In \$'000)

	Corporate/ Commercial & Merchant Banking	Retail Banking	Insurance Services	Other	Total Segments	Unallocated Amounts/ Eliminations	Total
UNAUDITED Three months ended 31 January 2014							
Net interest income (expense)	\$ 25,813	181,973	16,763	(714)	223,835	(188)	223,647
Fees and commissions	51,200	44,679	19,037	29,803	144,719	(3,774)	140,945
Other revenues	-	-	-	-	-	-	-
Net segment interest and other income excluding inter-segment revenues	\$ 77,013	226,652	35,800	29,089	368,554	(3,962)	364,592
Inter-segment revenues	357	-	18	4	379	(379)	-
Net segment interest and other income	\$ 77,370	226,652	35,818	29,093	368,933	(4,341)	364,592
Net segment profit (loss) before taxes	\$ 61,323	101,118	29,418	3,204	195,063	(4,342)	190,721
Segment Assets	\$ 2,523,263	7,102,117	1,345,574	8,670,746	19,641,700	162,020	19,803,720
Segment Liabilities	\$ 4,186,590	9,976,216	813,139	1,326,643	16,302,588	171,299	16,473,887
RESTATED Three months ended 31 January 2013							
Net interest income (expense)	\$ 47,518	167,811	15,593	(7,616)	223,306	1,430	224,736
Fees and commissions	35,385	35,738	22,929	30,619	124,671	(1,554)	123,117
Other revenues	-	-	-	-	-	-	-
Net segment interest and other income excluding inter-segment revenues	\$ 82,903	203,549	38,522	23,003	347,977	(124)	347,853
Inter-segment revenues	572	-	27	1	600	(600)	-
Net segment interest and other income	\$ 83,475	203,549	38,549	23,004	348,577	(724)	347,853
Net segment profit (loss) before taxes	\$ 72,963	78,649	32,955	1,774	186,341	(724)	185,617
Segment Assets	\$ 2,570,306	6,490,499	1,114,322	7,705,072	17,880,199	244,746	18,124,945
Segment Liabilities	\$ 3,503,222	9,538,131	678,934	1,153,340	14,873,627	95,915	14,969,542
RESTATED Year ended 31 October 2013							
Net interest income (expense)	\$ 173,293	654,849	63,942	1,141	893,225	4,435	897,660
Fees and commissions	177,535	177,044	78,857	57,826	491,262	-	491,262
Other revenues	-	-	-	-	-	-	-
Net segment interest and other income excluding inter-segment revenues	\$ 350,828	831,893	142,799	58,967	1,384,487	4,435	1,388,922
Inter-segment revenues	1,397	-	46	3	1,446	(1,446)	-
Net segment interest and other income	\$ 352,225	831,893	142,845	58,970	1,385,933	2,989	1,388,922
Net segment profit (loss) before taxes	\$ 293,642	359,171	119,948	(38,058)	734,703	1,790	736,493
Segment Assets	\$ 2,560,197	7,830,617	1,286,814	7,641,628	19,319,256	219,423	19,538,679
Segment Liabilities	\$ 4,036,637	10,563,746	772,979	541,214	15,914,576	258,193	16,172,769