

To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realised net income after tax of \$140.4 million for the three months ended 31st July 2014, an increase of \$6.4 million or 5% over the comparative period in 2013. Net income after tax for the nine-month period ended 31st July 2014 was \$390.1 million. Total assets ended the period at \$20.2 billion, representing growth of 8.6% or \$1.6 billion over the prior year.

In the past quarter, we have achieved consistent growth in all major business lines. Our strong loan growth continued in this quarter with total loans growing \$620.5 million or 5.7% compared to the last quarter. This, coupled with growth in Other Income, has resulted in a notable improvement in our financial results for this quarter with revenue increasing by \$32.6 million or 10% over the comparative 2013 quarter. Other Income increased by \$30.9 million or 31% over the comparative quarter one year ago. This was derived from various initiatives which the bank undertook to curtail effects of prolonged margin compression. Despite continuing to invest heavily in our people, brand and technology, our operating efficiency ratio of 48.6% makes us an industry leader in delivering quality products and service in an efficient manner. The Group is well capitalised with

capital adequacy ratio of 27%, well above the required 8% ratio stipulated by local regulators. This, coupled with our strong governance practices, will continue to result in the Group's stable performance over the long term. On that basis, the Directors have resolved that the Group pay a third interim dividend of 40 cents per ordinary share (2013 – 40 cents) on 13th October 2014 to shareholders on record at 12th September 2014.

September 2, 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 July 2014	RESTATED As at 31 July 2013	RESTATED As at 31 October 2013
ASSETS			
Cash on hand and in transit	\$ 145,518	\$ 132,578	\$ 147,056
Due from banks and related companies	1,495,555	1,200,263	2,152,601
Treasury bills	2,098,754	2,327,894	1,943,181
Deposits with Central Bank	3,266,821	2,986,797	3,117,981
Net loans to customers	11,467,296	10,494,813	10,575,610
Investment securities	1,431,067	1,152,977	1,187,941
Investment in associate companies	20,397	17,899	21,463
Property, plant and equipment	244,422	242,716	244,263
Miscellaneous assets	72,225	84,246	86,990
Goodwill	2,951	2,951	2,951
TOTAL ASSETS	\$ 20,245,006	\$ 18,643,134	\$ 19,480,037
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 14,887,788	\$ 13,627,505	\$ 14,391,447
Due to banks and related companies	138,142	102,829	51,326
Other liabilities	245,943	310,677	312,332
Provision for taxation	14,790	26,350	29,403
Policyholders' funds	870,995	713,305	735,565
Debt security in issue	618,000	618,000	618,000
Deferred tax liability	40,825	19,671	28,971
TOTAL LIABILITIES	16,816,483	15,418,337	16,167,044
SHAREHOLDERS' EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	532,563	477,563	502,563
Investment revaluation reserve	30,787	51,482	41,444
Retained earnings	2,597,610	2,428,189	2,501,423
TOTAL SHAREHOLDERS' EQUITY	3,428,523	3,224,797	3,312,993
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 20,245,006	\$ 18,643,134	\$ 19,480,037

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

	UNAUDITED Three months ended 31 July 2014	RESTATED Three months ended 31 July 2013	UNAUDITED Nine months ended 31 July 2014	RESTATED Nine months ended 31 July 2013	RESTATED Year ended 31 October 2013
NET INTEREST AND OTHER INCOME					
Net Interest Income	\$ 225,719	\$ 224,075	\$ 664,499	\$ 667,200	\$ 896,959
Other Income	131,596	100,657	367,151	337,773	491,963
Net Interest and Other Income	357,315	324,732	1,031,650	1,004,973	1,388,922
NON-INTEREST EXPENSES					
Loan loss expense	8,250	(3,250)	19,237	4,714	4,129
Other	167,177	150,025	501,048	470,670	653,532
Non-Interest Expenses	175,427	146,775	520,285	475,384	657,661
INCOME BEFORE TAXATION	181,888	177,957	511,365	529,589	731,261
Provision for taxation	(41,519)	(44,037)	(121,247)	(125,785)	(173,990)
INCOME AFTER TAXATION	\$ 140,369	\$ 133,920	\$ 390,118	\$ 403,804	\$ 557,271
Dividends per share	40.0c	40.0c	120.0c	120.0c	190.0c
Earnings per share	79.6c	75.9c	221.2c	229.8c	316.0c
Return on Equity	16.52%	16.31%	15.48%	16.63%	17.32%
Return on Total Assets	2.80%	2.84%	2.63%	2.90%	2.99%
Share Price	\$ 66.74	\$ 70.01	\$ 66.74	\$ 70.01	\$ 71.51

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

	UNAUDITED Three months ended 31 July 2014	RESTATED Three months ended 31 July 2013	UNAUDITED Nine months ended 31 July 2014	RESTATED Nine months ended 31 July 2013	RESTATED Year ended 31 October 2013
NET INCOME	\$ 140,369	\$ 133,920	\$ 390,118	\$ 403,804	\$ 557,271
OTHER COMPREHENSIVE INCOME					
Remeasurement of defined benefit liability (asset), net of tax	(2,731)	(3,759)	587	3,432	18,738
Revaluation of available-for-sale investments, net of tax	(6,642)	9,372	(10,657)	14,647	4,609
TOTAL COMPREHENSIVE INCOME, NET OF TAX	\$ 130,996	\$ 139,533	\$ 380,048	\$ 421,883	\$ 580,618

Consolidated Cash Flows (Stated In \$'000)

	UNAUDITED Nine months ended 31 July 2014	RESTATED Nine months ended 31 July 2013	RESTATED Year ended 31 October 2013
Cash flows from operating activities			
Net income before taxes	\$ 511,365	\$ 529,589	\$ 731,261
Change in loans	(891,686)	(536,436)	(617,232)
Change in deposits	496,341	696,648	1,460,590
Change in securities sold under repurchase agreement	-	(12,315)	(12,315)
Taxation paid	(119,399)	(115,126)	(153,920)
Other adjustments to reconcile income before taxation to net cash from operating activities	34,862	34,955	(112,925)
Net cash from operating activities	\$ 31,483	\$ 597,315	\$ 1,295,459
Cash flows used in investing activities			
Change in Treasury Bills with original maturity date due over 3 months	\$ (301,163)	\$ (596,333)	\$ (614,538)
Change in investments	(251,998)	(38,180)	(92,214)
Purchase of property, plant and equipment	(13,860)	(42,081)	(48,458)
Dividends received from associated companies	1,066	-	-
Proceeds from disposal of property, plant & equipment	300	61,702	70,664
Net cash used in investing activities	\$ (565,655)	\$ (614,892)	\$ (684,546)
Cash flows used in financing activities			
Dividends paid	\$ (264,518)	\$ (246,880)	\$ (317,419)
Net cash used in financing activities	\$ (264,518)	\$ (246,880)	\$ (317,419)
Decrease in cash and cash equivalents	\$ (798,690)	\$ (264,457)	\$ 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	\$ 1,681,066	\$ 1,921,805	\$ 2,479,756
Cash and cash equivalents			
Cash on hand and in transit	\$ 145,518	\$ 132,578	\$ 147,056
Due from banks and related companies with original maturity date not exceeding 3 months	1,495,555	1,200,263	2,152,601
Treasury bills with original maturity date not exceeding 3 months	39,993	588,964	180,099
Cash and cash equivalents	\$ 1,681,066	\$ 1,921,805	\$ 2,479,756

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

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
Restated balance as at 31 October 2013	\$ 267,563	502,563	41,444	2,501,423	3,312,993
Net income for the year	-	-	-	390,118	390,118
Other comprehensive income, net of tax	-	-	(10,657)	-	(10,657)
- Revaluation of available-for-sale investments	-	-	-	587	587
- Remeasurement of defined benefit asset / liability	-	-	(10,657)	-	(10,657)
Total comprehensive income	-	-	(10,657)	390,705	380,048
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	30,000	-	(30,000)	-
Dividends paid	-	-	-	(264,518)	(264,518)
	-	30,000	-	(294,518)	(264,518)
Balance as at 31 July 2014	\$ 267,563	532,563	30,787	2,597,610	3,428,523
Restated 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	-	-	-	403,804	403,804
Other comprehensive income, net of tax	-	-	14,647	-	14,647
- Revaluation of available-for-sale investments	-	-	-	3,432	3,432
- Remeasurement of defined benefit asset / liability	-	-	14,647	-	14,647
Total comprehensive income	-	-	14,647	407,236	421,883
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	60,000	-	(60,000)	-
Dividends paid	-	-	-	(246,880)	(246,880)
	-	60,000	-	(306,880)	(246,880)
Restated balance as at 31 July 2013	\$ 267,563	477,563	51,482	2,428,189	3,224,797
Restated 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	-	-	4,609	-	4,609
- Revaluation of available-for-sale investments	-	-	-	18,738	18,738
- Remeasurement of defined benefit asset / liability	-	-	4,609	-	4,609
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 July 2014 (Stated In \$'000)

	Corporate/ Commercial & Merchant Banking	Retail Banking	Insurance Services	Other	Total Segments	Unallocated Amounts/ Eliminations	Total
UNAUDITED Nine months ended 31 July 2014							
Net interest income (expense)	\$ 69,478	548,138	48,980	(2,184)	664,412	87	664,499
Fees and commissions	90,524	102,875	57,910	115,842	367,151	-	367,151
Net segment interest and other income excluding inter-segment revenues	\$ 160,002	651,013	106,890	113,658	1,031,563	87	1,031,650
Inter-segment revenues	1,692	-	32	6	1,730	(1,730)	-
Net segment interest and other income	\$ 161,694	651,013	106,922	113,664	1,033,293	(1,643)	1,031,650
Net segment profit (loss) before taxes	\$ 110,982	274,555	87,494	39,980	513,011	(1,646)	511,365
Segment Assets	\$ 2,824,444	8,464,165	1,432,899	7,374,461	20,095,969	149,037	20,245,006
Segment Liabilities	\$ 4,023,506	9,981,637	825,460	1,515,645	16,346,248	470,235	16,816,483
RESTATED Nine months ended 31 July 2013							
Net interest income (expense)	\$ 60,881	536,808	46,430	1,022	645,141	22,059	667,200
Fees and commissions	47,177	102,946	54,227	133,423	337,773	-	337,773
Net segment interest and other income excluding inter-segment revenues	\$ 108,058	639,754	100,657	134,445	982,914	22,059	1,004,973
Inter-segment revenues	1,044	-	35	3	1,082	(1,082)	-
Net segment interest and other income	\$ 109,102	639,754	100,692	134,448	983,996	20,977	1,004,973
Net segment profit (loss) before taxes	\$ 78,338	277,819	81,207	71,248	508,612	20,977	529,589
Segment Assets	\$ 2,681,042	7,679,566	1,230,589	6,739,539	18,330,736	312,398	18,643,134
Segment Liabilities	\$ 3,568,976	10,401,942	744,580	428,686	15,144,184	274,153	15,418,337
RESTATED Year ended 31 October 2013							
Net interest income (expense)	\$ 144,734	717,868	63,942	(29,585)	896,959	-	896,959
Fees and commissions	133,109	137,982	78,857	142,014	491,962	1	491,963
Net segment interest and other income excluding inter-segment revenues	\$ 277,843	855,850	142,799	112,429	1,388,921	1	1,388,922
Inter-segment revenues	1,399	-	46	3	1,448	(1,448)	-
Net segment interest and other income	\$ 279,242	855,850	142,845	112,432	1,390,369	(1,447)	1,388,922
Net segment profit (loss) before taxes	\$ 220,658	383,128	119,948	15,314	739,048	(7,787)	731,261
Segment Assets	\$ 2,634,865	7,830,617	1,286,814	7,786,384	19,538,680	(58,643)	19,480,037
Segment Liabilities	\$ 4,036,637	10,563,746	772,979	799,408	16,172,770	(5,726)	16,167,044