

## To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Limited ("the Group") realised income after taxation of \$159 million for the quarter ended 31 July 2016, an increase of \$2 million or 1% over the same period in 2015. Year to date income after taxation was \$467 million, which represents an increase of \$50 million or 12% over the prior year.

The increase in income is attributable to higher net interest income, which increased by \$128 million (18%) over last year mainly due to strong retail loan growth. Total assets increased by \$1.6 billion or 7% year over year to end the period at \$23.4 billion, driven by growth across our key interest earning asset lines. Our deposits portfolio also increased by \$1.1 billion (7%) over the prior year as our customers continue to invest with confidence in the Group.

The Group continues to improve its operational efficiency as evidenced by the lower productivity ratio of 43% for

the year to date, compared with 45% in the comparative period last year. Loan loss expenses increased by \$24 million year over year as the Group continues to demonstrate a conservative risk management approach in this period of depressed economic conditions. Despite this increase, the credit quality of our loan portfolio remains high as the ratio of non-accrual loans to total loans stands at 1.99% in 2016.

Based on these results, the Directors are pleased to announce a quarterly dividend of 40 cents per share (2015 - 40 cents) payable on 20 October, 2016 to shareholders on record as of 21 September, 2016.

12 September, 2016

  
Brendan King  
Chairperson

  
Anya M. Schnoor  
Managing Director

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

	UNAUDITED As at 31 July 2016	UNAUDITED As at 31 July 2015	AUDITED As at 31 October 2015
<b>ASSETS</b>			
Cash on hand and in transit	\$ 149,699	\$ 141,437	\$ 115,337
Due from banks and related companies	1,345,682	680,293	1,496,569
Treasury bills	2,874,781	1,793,923	1,824,834
Deposits with Central Bank	2,942,845	3,592,759	3,103,462
Net loans to customers	13,412,801	13,004,474	13,090,950
Investment securities	2,308,341	2,289,719	2,201,318
Investment in associate companies	27,191	22,966	26,938
Property, plant and equipment	249,954	247,441	251,616
Miscellaneous assets	83,172	53,799	41,242
Goodwill	2,951	2,951	2,951
<b>TOTAL ASSETS</b>	<b>\$ 23,397,417</b>	<b>\$ 21,829,762</b>	<b>\$ 22,155,217</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	\$ 17,852,014	\$ 16,730,144	\$ 16,837,090
Due to banks and related companies	99,389	17,749	41,899
Other liabilities	425,650	327,570	381,434
Provision for taxation	28,989	31,872	29,015
Policyholders' funds	1,192,432	1,040,343	1,099,602
Deferred tax liability	34,863	23,024	31,122
<b>TOTAL LIABILITIES</b>	<b>\$ 19,633,337</b>	<b>18,170,702</b>	<b>18,420,162</b>
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	667,563	637,563	637,563
Investment revaluation reserve	267	10,808	(2,524)
Retained earnings	2,828,687	2,743,126	2,832,453
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,764,080</b>	<b>3,659,060</b>	<b>3,735,055</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 23,397,417</b>	<b>\$ 21,829,762</b>	<b>\$ 22,155,217</b>

### CONSOLIDATED STATEMENT OF INCOME (STATED IN \$'000)

	UNAUDITED Three months ended 31 July 2016	UNAUDITED Three months ended 31 July 2015	UNAUDITED Nine months ended 31 July 2016	UNAUDITED Nine months ended 31 July 2015	AUDITED Year ended 31 October 2015
<b>NET INTEREST AND OTHER INCOME</b>					
Net Interest Income	\$ 295,888	\$ 250,630	\$ 839,091	\$ 710,709	\$ 974,623
Other Income	112,626	127,128	356,456	369,279	497,300
Total Revenue	408,514	377,758	1,195,547	1,079,988	1,471,923
<b>NON-INTEREST EXPENSES</b>	170,676	152,235	511,732	480,726	656,073
<b>INCOME BEFORE TAXATION AND LOAN LOSS</b>	237,838	225,523	683,815	599,262	815,850
Loan loss expense	23,594	4,527	53,773	29,759	38,558
<b>INCOME BEFORE TAXATION</b>	214,244	220,996	630,042	569,503	777,292
Provision for taxation	55,108	63,785	163,215	152,740	211,155
<b>INCOME AFTER TAXATION</b>	\$ 159,136	\$ 157,211	\$ 466,827	\$ 416,763	\$ 566,137
Dividends per share	40.0c	40.0c	120.0c	120.0c	300.0c
Earnings per share	90.2c	89.2c	264.7c	236.3c	321.0c

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

	UNAUDITED Three months ended 31 July 2016	UNAUDITED Three months ended 31 July 2015	UNAUDITED Nine months ended 31 Jul 2016	UNAUDITED Nine months ended 31 July 2015	AUDITED Year ended 31 October 2015
<b>NET INCOME FOR THE YEAR</b>	\$ 159,136	\$ 157,211	\$ 466,827	\$ 416,763	\$ 566,137
<b>OTHER COMPREHENSIVE INCOME</b>					
Remeasurement of defined benefit liability (asset), net of tax	17,901	-	17,901	-	10,492
Revaluation of available-for-sale investments, net of tax	5,496	(6,414)	2,791	(18,840)	(32,172)
<b>TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>\$ 182,533</b>	<b>\$ 150,797</b>	<b>\$ 487,519</b>	<b>\$ 397,923</b>	<b>\$ 544,457</b>

# SCOTIABANK TRINIDAD AND TOBAGO LIMITED

## FINANCIAL RESULTS FOR THE PERIOD ENDED 31 JULY 2016



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

	UNAUDITED Nine months ended 31 July 2016	UNAUDITED Nine months ended 31 July 2015	AUDITED Year ended 31 October 2015
<b>Cash flows from operating activities</b>			
Net income before taxes	\$ 630,042	\$ 569,503	\$ 777,292
Change in loans	(335,154)	(1,184,591)	(1,269,534)
Change in deposits	1,015,193	1,518,965	1,625,455
Taxation paid	(158,717)	(124,905)	(169,491)
Other adjustments to reconcile income before taxation to net cash from operating activities	361,416	(142,341)	528,648
<b>Net cash from (used in) operating activities</b>	<b>\$ 1,512,780</b>	<b>\$ 636,631</b>	<b>\$ 1,492,370</b>
<b>Cash flows used in investing activities</b>			
Change in Treasury Bills with original maturity date due over 3 months	\$ (1,033,601)	\$ (268,021)	\$ (298,973)
Change in investments	(128,791)	(748,705)	(696,195)
Purchase of property, plant and equipment	(8,419)	(12,389)	(28,971)
<b>Net cash from (used in) investing activities</b>	<b>\$ (1,170,811)</b>	<b>\$ (1,029,115)</b>	<b>\$ (1,024,139)</b>
<b>Cash flows used in financing activities</b>			
Dividends paid	(458,494)	(264,517)	(335,056)
Decrease in debt security in issue	-	(618,000)	(618,000)
<b>Net cash used in financing activities</b>	<b>\$ (458,494)</b>	<b>\$ (882,517)</b>	<b>\$ (953,056)</b>
<b>Decrease in cash and cash equivalents</b>	<b>\$ (116,525)</b>	<b>\$ (1,275,001)</b>	<b>\$ (484,825)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,611,906</b>	<b>2,096,731</b>	<b>2,096,731</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,495,381</b>	<b>\$ 821,730</b>	<b>\$ 1,611,906</b>
<b>Cash and cash equivalents</b>			
Cash on hand and in transit	\$ 149,699	\$ 141,437	\$ 115,337
Due from banks and related companies	1,345,682	680,293	1,496,569
Treasury bills with original maturity date not exceeding 3 months	-	-	-
<b>Cash and cash equivalents</b>	<b>\$ 1,495,381</b>	<b>\$ 821,730</b>	<b>\$ 1,611,906</b>

### SEGMENT REPORTING FOR THE PERIOD ENDED 31 JULY 2016 (STATED IN \$'000)

	Retail, Corporate & Commercial Banking	Trust & Merchant Banking	Insurance Services	Other	Total
<b>UNAUDITED Nine months ended 31 July 2016</b>					
<b>Total Revenue</b>	\$ 1,077,703	4,028	111,299	2,516	1,195,547
<b>Material non-cash items</b>					
Depreciation	\$ 13,016	16	-	-	13,032
<b>Income before taxation</b>	<b>\$ 535,094</b>	<b>3,236</b>	<b>89,227</b>	<b>2,485</b>	<b>630,042</b>
<b>Assets</b>	<b>\$ 13,412,801</b>	<b>34,914</b>	<b>2,044,547</b>	<b>7,905,155</b>	<b>23,397,417</b>
<b>Liabilities</b>	<b>\$ 17,852,014</b>	<b>635</b>	<b>1,277,361</b>	<b>503,327</b>	<b>19,633,337</b>
<b>UNAUDITED Nine months ended 31 July 2015</b>					
<b>Total Revenue</b>	\$ 940,080	9,936	127,505	2,466	1,079,988
<b>Material non-cash items</b>					
Depreciation	\$ 12,996	52	-	-	13,048
<b>Income before taxation</b>	<b>\$ 455,802</b>	<b>4,675</b>	<b>106,588</b>	<b>2,437</b>	<b>569,503</b>
<b>Assets</b>	<b>\$ 13,004,474</b>	<b>35,764</b>	<b>1,808,247</b>	<b>6,981,277</b>	<b>21,829,762</b>
<b>Liabilities</b>	<b>\$ 16,730,144</b>	<b>2,034</b>	<b>1,117,247</b>	<b>321,277</b>	<b>18,170,702</b>
<b>AUDITED Year ended 31 October 2015</b>					
<b>Total Revenue</b>	\$ 1,294,614	11,349	162,654	3,306	1,471,923
<b>Material non-cash items</b>					
Depreciation	\$ 17,486	61	-	-	17,547
<b>Income before taxation</b>	<b>\$ 627,656</b>	<b>5,328</b>	<b>137,077</b>	<b>7,231</b>	<b>777,292</b>
<b>Assets</b>	<b>\$ 13,090,950</b>	<b>30,530</b>	<b>1,868,516</b>	<b>7,165,221</b>	<b>22,155,217</b>
<b>Liabilities</b>	<b>\$ 16,837,090</b>	<b>-</b>	<b>1,160,828</b>	<b>422,244</b>	<b>18,420,162</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2016 (STATED IN \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>UNAUDITED Nine months ended 31 July 2016</b>					
<b>Balance as at 31 October 2015</b>	\$ 267,563	637,563	(2,524)	2,832,453	3,735,055
Net income for the year	-	-	-	466,827	466,827
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	2,791	-	2,791
- Remeasurement of defined benefit obligation	-	-	-	17,901	17,901
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>2,791</b>	<b>484,728</b>	<b>487,519</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	30,000	-	(30,000)	-
Dividends paid	-	-	-	(458,494)	(458,494)
	-	30,000	-	(488,494)	(458,494)
<b>Balance as at 31 July 2016</b>	<b>\$ 267,563</b>	<b>667,563</b>	<b>267</b>	<b>2,828,687</b>	<b>3,764,080</b>
<b>UNAUDITED Nine months ended 31 July 2015</b>					
<b>Balance as at 31 October 2014</b>	\$ 267,563	582,563	29,648	2,645,880	3,525,654
Net income for the year	-	-	-	416,763	416,763
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(18,840)	-	(18,840)
- Remeasurement of defined benefit obligation	-	-	-	-	-
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(18,840)</b>	<b>416,763</b>	<b>397,923</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	55,000	-	(55,000)	-
Dividends paid	-	-	-	(264,517)	(264,517)
	-	55,000	-	(319,517)	(264,517)
<b>Balance as at 31 July 2015</b>	<b>\$ 267,563</b>	<b>637,563</b>	<b>10,808</b>	<b>2,743,126</b>	<b>3,659,060</b>
<b>AUDITED Year ended 31 October 2015</b>					
<b>Balance as at 31 October 2014</b>	\$ 267,563	582,563	29,648	2,645,880	3,525,654
Net income for the year	-	-	-	566,137	566,137
<b>Other comprehensive income, net of tax</b>					
- Revaluation of available-for-sale investments	-	-	(32,172)	-	(32,172)
- Remeasurement of defined benefit obligation	-	-	-	10,492	10,492
<b>Total comprehensive income</b>	<b>\$ -</b>	<b>-</b>	<b>(32,172)</b>	<b>576,629</b>	<b>544,457</b>
<b>Transactions with owners, recorded directly into equity</b>					
Transfer to statutory reserve	-	55,000	-	(55,000)	-
Dividends paid	-	-	-	(335,056)	(335,056)
	-	55,000	-	(390,056)	(335,056)
<b>Balance as at 31 October 2015</b>	<b>\$ 267,563</b>	<b>637,563</b>	<b>(2,524)</b>	<b>2,832,453</b>	<b>3,735,055</b>

#### 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 2015.

#### Comparative information

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