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

*Trademark of The Bank of Nova Scotia, used under licence.
CONSOLIDATED STATEMENT OF CASH FLOWS (STATED IN $’000)

Cash flows from operating activities
Net income before taxes $ 630,042 $ 569,503 $ 777,292
Change in loans (335,154) (1,164,591) (1,269,524)
Change in deposits 1,015,193 1,518,965 1,625,455
Taxation paid (158,717) (124,903) (169,491)
Other adjustments to reconcile income before taxation to net cash from operating activities 361,416 (142,341) 528,648
Net cash from (used in) operating activities $ 1,512,780 $ 636,631 $ 1,492,370

Cash flows used in investing activities
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)
Net cash from (used in) investing activities $ (1,170,811) $ (1,029,115) $ (1,024,139)

Cash flows used in financing activities
Dividends paid (458,494) (264,517) (335,056)
Decrease in debt security in issue - (618,000) (618,000)
Net cash used in financing activities $ (458,494) $ (882,517) $ (933,056)

Decrease in cash and cash equivalents $ (116,525) $ (1,275,001) $ (484,825)
Cash and cash equivalents, beginning of period 1,611,906 2,096,731 2,096,731
Cash and cash equivalents, end of period $ 1,495,381 $ 821,730 $ 1,611,906

CASUALTY & COMMERCIAL BANKING

UNAUDITED

Nine months ended 31 July 2016
Total Revenue $ 1,077,703
Material non-cash items
Depreciation $ 13,016
Income before taxation $ 535,094
Assets $ 13,412,801
Liabilities $ 17,852,014

Stated Retained Total
Capital Reserve Reserve Earnings Shareholders’

AUDITED

Nine months ended 31 July 2016
Total Revenue $ 940,080
Material non-cash items
Depreciation $ 12,996
Income before taxation $ 455,802
Assets $ 13,004,474
Liabilities $ 16,730,144

UNAUDITED

Nine months ended 31 October 2015
Total Revenue $ 1,294,614
Material non-cash items
Depreciation $ 17,486
Income before taxation $ 627,656
Assets $ 13,060,950
Liabilities $ 16,837,090

Stated Retained Total
Capital Reserve Reserve Earnings Shareholders’

AUDITED

Year ended 31 October 2015
Total Revenue $ 1,294,614
Material non-cash items
Depreciation $ 17,486
Income before taxation $ 627,656
Assets $ 13,060,950
Liabilities $ 16,837,090

UNAUDITED

Nine months ended 31 October 2015
Balance as at 31 October 2015 $ 267,563 637,563 (2,524) 2,832,453 3,735,055
Net income for the year - - - 466,827 466,827
Other comprehensive income, net of tax
- Revaluation of available-for-sale investments - - 2,791 - 2,791
- Remeasurement of defined benefit obligation - - 17,901 - 17,901
Total comprehensive income - - 484,728 484,728

Transactions with owners, recorded directly into equity
Transfer to statutory reserve - 30,000 - (30,000) -
Dividends paid - - (458,494) - (458,494)

Balance as at 31 July 2016 $ 267,563 667,563 267 2,828,667 3,764,080

UNAUDITED

Nine months ended 31 July 2015
Balance as at 31 October 2015 $ 267,563 582,563 29,648 2,645,880 3,525,654
Net income for the year - - - 416,763 416,763
Other comprehensive income, net of tax
- Revaluation of available-for-sale investments - - (18,840) - (18,840)
- Remeasurement of defined benefit obligation - - - - -
Total comprehensive income - - 416,763 397,923

Transactions with owners, recorded directly into equity
Transfer to statutory reserve - 55,000 - (55,000) -
Dividends paid - - (264,517) - (264,517)

Balance as at 31 July 2015 $ 267,563 637,563 10,808 2,743,126 3,659,060

AUDITED

Year ended 31 October 2015
Balance as at 31 October 2014 $ 267,563 582,563 29,648 2,645,880 3,525,654
Net income for the year - - - 566,137 566,137
Other comprehensive income, net of tax
- Revaluation of available-for-sale investments - - (32,172) - (32,172)
- Remeasurement of defined benefit obligation - - - 10,492 10,492
Total comprehensive income - - 516,625 444,401

Transactions with owners, recorded directly into equity
Transfer to statutory reserve - 55,000 - (55,000) -
Dividends paid - - (335,056) - (335,056)

Balance as at 31 October 2015 $ 267,563 637,563 (2,524) 2,832,453 3,735,055

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.

SEGMENT REPORTING FOR THE PERIOD ENDED 31 JULY 2016 (STATED IN $’000)

Retail, Corporate & Commercial Banking Trust & Merchant Banking Insurance Services Other Total

UNAUDITED

Nine months ended 31 July 2016
Total Revenue $ 1,077,703
Material non-cash items
Depreciation $ 13,016
Income before taxation $ 535,094
Assets $ 13,412,801
Liabilities $ 17,852,014

AUDITED

Year ended 31 October 2015
Total Revenue $ 1,294,614
Material non-cash items
Depreciation $ 17,486
Income before taxation $ 627,656
Assets $ 13,060,950
Liabilities $ 16,837,090