

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS AS AT 31 OCTOBER 2014



To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Ltd. ("the Group") realised net income after tax of \$170 million for the quarter ended 31st October 2014, an increase of \$16 million or 11% over the comparative period in 2013. Net income after tax for the year ended 31st October 2014 was \$560 million, an increase of \$3 million or 0.5% over the prior year. Total assets ended the period at \$20.7 billion, representing growth of \$1.2 billion or 6% over the prior year.

Our strong loan growth continued during this quarter bringing the year to date growth in loans to \$1.2 billion or 12%. Total revenue increased by \$13 million or 3% this quarter compared to the same quarter last year. Total revenue for the year exceeded total revenue for last year by \$35 million or 3% based on the strength of increased non-interest income as the Group focuses on diversifying its revenue sources to offset the reduction in interest spreads. We continue to control non-interest expenditure which has remained flat for the quarter at \$172 million compared to the same quarter last year. The full year results show an increase of \$26 million or 4% compared to last year. Notwithstanding the increase in non-interest

expenditure during the year, our operating efficiency ratio of 46% makes us an industry leader in delivering quality products and services in an efficient manner. Loan loss expense increased by \$10 million during the quarter and \$24 million over the year as the Group prudently sets aside increased provisions to cater for growth in our portfolio. The Group is well capitalised with a capital adequacy ratio of 25%, well above the required 8% ratio stipulated by local regulators and 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 fourth interim dividend of 70 cents per ordinary share (2013 - 70 cents) on 8th January 2015 to shareholders on record at 9th December 2014.

26 November 2014

Sylvia D. Chrominska
Chairperson

Anya M. Schnoor
Managing Director

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

	UNAUDITED As at 31 October 2014	RESTATED As at 31 October 2013
ASSETS		
Cash on hand and in transit	\$ 127,825	\$ 147,056
Due from banks and related companies	1,610,631	2,152,601
Treasury bills	1,883,136	1,943,181
Deposits with Central Bank	3,333,686	3,117,981
Net loans to customers	11,818,555	10,575,610
Investment securities	1,574,994	1,187,941
Investment in associate companies	24,118	21,463
Property, plant and equipment	244,728	244,263
Miscellaneous assets	58,568	86,990
Goodwill	2,951	2,951
TOTAL ASSETS	\$ 20,679,192	\$ 19,480,037
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 15,211,730	\$ 14,391,447
Due to banks and related companies	39,954	51,326
Other liabilities	319,753	312,332
Provision for taxation	17,378	29,403
Policyholders' funds	908,971	735,565
Debt security in issue	618,000	618,000
Deferred tax liability	37,752	28,971
TOTAL LIABILITIES	17,153,538	16,167,044
SHAREHOLDERS' EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	582,563	502,563
Investment revaluation reserve	29,648	41,444
Retained earnings	2,645,880	2,501,423
TOTAL SHAREHOLDERS' EQUITY	3,525,654	3,312,993
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 20,679,192	\$ 19,480,037

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

	UNAUDITED Three months ended 31 October 2014	RESTATED Three months ended 31 October 2013	UNAUDITED Year Ended 31 October 2014	RESTATED Year Ended 31 October 2013
NET INTEREST AND OTHER INCOME				
Net Interest Income	\$ 224,374	\$ 229,759	\$ 888,872	\$ 896,959
Other Income	161,399	143,230	493,783	450,921
TOTAL REVENUE	385,773	372,989	1,382,655	1,347,880
NON-INTEREST EXPENSES	172,508	171,902	638,789	612,490
INCOME BEFORE TAXATION AND LOAN LOSS	213,265	201,087	743,866	735,390
Loan loss expense	9,120	(585)	28,357	4,129
INCOME BEFORE TAXATION	204,145	201,672	715,509	731,261
Provision for taxation	34,320	48,205	155,567	173,990
INCOME AFTER TAXATION	169,825	153,467	559,942	557,271
Dividends per share	\$ 70.0c	\$ 70.0c	\$ 190.0c	\$ 190.0c
Earnings per share	96.3c	87.0c	317.5c	316.0c
Return on Equity	19.92%	19.14%	16.38%	17.33%
Return on Total Assets	3.39%	3.31%	2.79%	3.00%

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

	UNAUDITED Three months ended 31 October 2014	RESTATED Three months ended 31 October 2013	UNAUDITED Year Ended 31 October 2014	RESTATED Year Ended 31 October 2013
NET INCOME FOR THE YEAR	\$ 169,825	\$ 153,467	\$ 559,942	\$ 557,271
OTHER COMPREHENSIVE INCOME				
Remeasurement of defined benefit liability (asset), net of tax	(3,864)	15,306	(432)	18,738
Revaluation of available-for-sale investments, net of tax	(26,443)	(10,038)	(11,796)	4,609
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 139,518	\$ 158,735	\$ 547,714	\$ 580,618

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS AS AT 31 OCTOBER 2014



Consolidated Statement of Cash Flows (Stated In \$'000)

	UNAUDITED Year Ended 31 October 2014	RESTATED Year Ended 31 October 2013
Cash flows from operating activities		
Net income before taxes	\$ 715,509	\$ 731,261
Change in loans	(1,249,187)	(610,142)
Change in deposits	821,674	1,464,073
Change in securities sold under repurchase agreement	-	(12,315)
Taxation paid	(159,539)	(153,920)
Other adjustments to reconcile income before taxation to net cash from operating activities	1,688	(123,498)
Net cash from operating activities	\$ 130,145	\$ 1,295,459
Cash flows used in investing activities		
Change in Treasury bills with original maturity date due over 3 months	238,221	(614,538)
Change in investments	(397,977)	(92,214)
Purchase of property, plant and equipment	(18,728)	(48,458)
Proceeds from disposal of property, plant & equipment	367	70,664
Net cash used in investing activities	\$ (178,117)	\$ (684,546)
Cash flows used in financing activities		
Dividends paid	(335,053)	(317,419)
Net cash used in financing activities	\$ (335,053)	\$ (317,419)
Decrease in cash and cash equivalents	(383,025)	293,494
Cash and cash equivalents, beginning of period	2,479,756	2,186,262
Cash and cash equivalents, end of period	\$ 2,096,731	\$ 2,479,756
Cash and cash equivalents		
Cash on hand and in transit	127,825	147,056
Due from banks and related companies	1,610,631	2,152,601
Treasury bills with original maturity date not exceeding 3 months	358,275	180,099
Cash and cash equivalents	\$ 2,096,731	\$ 2,479,756

Consolidated Statement of Changes in Equity For The Period Ended 31 October 2014 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders Equity
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 asset / liability	-	-	-	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
Year ended 31 October 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	-	-	-	559,942	559,942
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	(11,796)	-	(11,796)
- Remeasurement of defined benefit asset / liability	-	-	-	(432)	(432)
Total comprehensive income	\$ -	-	(11,796)	559,510	547,714
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	80,000	-	(80,000)	-
Dividends paid	-	-	-	(335,053)	(335,053)
	-	80,000	-	(415,053)	(335,053)
Balance as at 31 October 2014	\$ 267,563	582,563	29,648	2,645,880	3,525,654

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

	Retail Corporate & Commercial Banking	Trust & Merchant Banking	Insurance Services	Other	Total
RESTATED					
Year ended 31 October 2013					
Total Revenue	\$ 1,119,441	94,608	343,843	(210,012)	1,347,880
Material non-cash items					
Depreciation	\$ 15,249	58	-	-	15,307
Net profit (loss) before taxes	750,157	88,227	119,948	(227,071)	731,261
Assets	\$ 9,969,348	279,526	1,288,676	7,942,487	19,480,037
Liabilities	\$ 14,415,402	51,025	774,841	925,776	16,167,044
UNAUDITED					
Year ended 31 October 2014					
Total Revenue	\$ 1,169,686	18,273	437,952	(243,256)	1,382,655
Material non-cash items					
Depreciation	\$ 12,459	51	-	5,307	17,817
Net profit (loss) before taxes	765,926	11,514	124,723	(186,654)	715,509
Assets	\$ 11,067,330	256,903	1,583,431	7,771,528	20,679,192
Liabilities	\$ 15,223,425	20,089	969,865	940,159	17,153,538

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 31 October 2013 (Stated In \$'000)

	Retirement Benefit Asset	Retirement Benefit Obligation	Deferred Tax Liability (Asset)	Retained Earnings	Other Comprehensive Income
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.