

To Our Shareholders

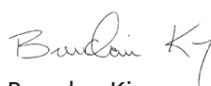
The Directors are pleased to announce that Scotiabank Trinidad and Tobago Ltd ("the Group") realized income after taxation of \$658 million for the year ended 31 October 2017, an increase of \$32 million or 5% over the same period last year. For the quarter, income after taxation was \$151 million, representing a decrease of \$7 million or 5% when compared to the same period last year, reflecting the challenging economic environment and the higher tax rate now in effect.

The increase in profitability year over year is attributable to higher net interest income driven by higher retail loan volumes and higher interest income from investment securities which resulted in an increase in net interest income of \$115 million or 10% over the prior year. Loans to customers grew by \$681 million or 5% over last year. Total assets ended the year at \$24.4 billion, which represents an increase of \$1.1 billion or 5% in 2017 mainly driven by growth in loans and other interest earning assets. Deposits increased by \$967 million or 6% over the prior year as our customers continue to invest with confidence in the Bank.

The Group maintained a stable cost base over the last year as it continues to improve its operational efficiency evidenced by a lower productivity ratio of 40%, compared with 43% in 2016. Loan loss expenses increased by \$29 million year over year as the Group continues to exercise a prudent risk management approach in managing its loan loss provisioning in this challenging economic environment. Despite this increase the credit quality of our loan portfolio continues to be strong as the ratio of non-accrual loans to total loans stood at 2.17% at the end of the year.

Based on these results, the Directors are pleased to announce a quarterly final dividend of 50 cents per share and a special dividend of 100 cents. These dividends will be payable on 12 January 2018 to shareholders on record as at 13 December 2017. In total the Group has declared dividends of 300 cents in respect of the 2017 financial year (2016 – 300 cents).

5 December, 2017



Brendan King
Chairman



Stephen Bagnarol
Managing Director

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

	UNAUDITED As at 31 October 2017	AUDITED As at 31 October 2016
ASSETS		
Cash on hand and in transit	\$ 225,376	\$ 146,203
Due from banks and related companies	1,344,017	880,433
Treasury bills	3,925,171	3,065,375
Deposits with Central Bank	2,826,390	3,216,409
Net loans to customers	13,955,789	13,275,224
Investment securities	1,713,788	2,267,880
Investment in associated companies	30,447	29,875
Deferred tax assets	43,940	35,163
Property, plant and equipment	246,780	250,967
Miscellaneous assets	70,025	74,353
Retirement benefit asset	8,646	19,287
Goodwill	2,951	2,951
TOTAL ASSETS	\$ 24,393,320	\$ 23,264,120
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 18,538,048	\$ 17,571,183
Due to banks and related companies	38,088	42,555
Other liabilities	314,678	295,618
Taxation payable	48,088	104,517
Policyholders' funds	1,332,623	1,227,157
Retirement benefit obligation	126,633	124,962
Deferred tax liabilities	40,769	24,591
TOTAL LIABILITIES	\$ 20,438,927	\$ 19,390,583
SHAREHOLDERS' EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	688,201	667,882
Investment revaluation reserve	7,519	3,156
Retained earnings	2,991,110	2,934,936
TOTAL SHAREHOLDERS' EQUITY	3,954,393	3,873,537
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 24,393,320	\$ 23,264,120

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

	UNAUDITED Three months ended 31 October 2017	UNAUDITED Three months ended 31 October 2016	UNAUDITED Year ended 31 October 2017	AUDITED Year ended 31 October 2016
NET INTEREST AND OTHER INCOME				
Net Interest Income	\$ 314,787	\$ 289,947	\$ 1,244,236	\$ 1,129,039
Other income	99,563	122,765	481,210	479,221
Total Revenue	414,350	412,712	1,725,446	1,608,260
NON-INTEREST EXPENSES	173,757	179,726	685,669	691,458
INCOME BEFORE TAXATION AND LOAN LOSS	240,593	232,986	1,039,777	916,802
Loan loss expense	25,667	23,007	105,597	76,780
INCOME BEFORE TAXATION	214,926	209,979	934,180	840,022
Provision for taxation	63,791	51,582	276,516	214,797
INCOME AFTER TAXATION	\$ 151,135	\$ 158,397	\$ 657,664	\$ 625,225
Dividends per share	150.0c	180.0c	300.0c	300.0c
Earnings per share	85.7c	89.8c	372.9c	354.5c

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

	UNAUDITED Three months ended 31 October 2017	UNAUDITED Three months ended 31 October 2016	UNAUDITED Year ended 31 October 2017	AUDITED Year ended 31 October 2016
NET INCOME FOR THE YEAR	\$ 151,135	\$ 158,397	\$ 657,664	\$ 625,225
OTHER COMPREHENSIVE INCOME				
Remeasurement of post-employment benefits asset/obligation, net of tax	507	18,711	763	36,612
Revaluation of available-for-sale investments, net of tax	3,462	2,889	4,363	5,680
TOTAL COMPREHENSIVE INCOME, ATTRIBUTABLE TO EQUITY HOLDERS	\$ 155,104	\$ 179,997	\$ 662,790	\$ 667,517

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

FINANCIAL RESULTS FOR THE PERIOD ENDED 31 OCTOBER 2017



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

	UNAUDITED Year ended 31 October 2017	AUDITED Year ended 31 October 2016
Cash flows from operating activities		
Net income after taxes	\$ 657,664	\$ 625,225
Change in loans	(684,976)	(214,211)
Change in deposits	967,231	734,140
Taxation paid	(326,277)	(211,553)
Other adjustments to reconcile income after taxation to net cash from operating activities	832,235	318,797
Net cash from operating activities	\$ 1,445,877	\$ 1,252,398
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	\$ (859,796)	\$ (1,240,541)
Change in investments	552,798	(43,454)
Purchase of property, plant and equipment	(14,428)	(24,638)
Proceeds from disposal of property, plant & equipment	240	-
Net cash used in investing activities	\$ (321,186)	\$ (1,308,633)
Cash flows used in financing activities		
Dividends paid	(581,934)	(529,035)
Net cash used in financing activities	\$ (581,934)	\$ (529,035)
Increase (decrease) in cash and cash equivalents	\$ 542,757	\$ (585,270)
Cash and cash equivalents, beginning of period	\$ 1,026,636	\$ 1,611,906
Cash and cash equivalents, end of period	\$ 1,569,393	\$ 1,026,636
Cash and cash equivalents		
Cash on hand and in transit	\$ 225,376	\$ 146,203
Due from banks and related companies	1,344,017	880,433
Treasury bills with original maturity date not exceeding 3 months	-	-
Cash and cash equivalents	\$ 1,569,393	\$ 1,026,636

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (STATED IN \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
UNAUDITED					
Year ended 31 October 2017					
Balance as at 31 October 2016	\$ 267,563	667,882	3,156	2,934,936	3,873,537
Net income for the year	-	-	-	657,664	657,664
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	4,363	-	4,363
- Remeasurement of post-employment benefits asset/obligation	-	-	-	763	763
Total comprehensive income	-	-	4,363	658,427	662,790
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	20,319	-	(20,319)	-
Dividends paid	-	-	-	(581,934)	(581,934)
	-	20,319	-	(602,253)	(581,934)
Balance as at 31 October 2017	\$ 267,563	688,201	7,519	2,991,110	3,954,393
AUDITED					
Year ended 31 October 2016					
Balance as at 31 October 2015	\$ 267,563	637,563	(2,524)	2,832,453	3,735,055
Net income for the year	-	-	-	625,225	625,225
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	5,680	-	5,680
- Remeasurement of post-employment benefits asset/obligation	-	-	-	36,612	36,612
Total comprehensive income	\$ -	-	5,680	661,837	667,517
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	30,319	-	(30,319)	-
Dividends paid	-	-	-	(529,035)	(529,035)
	-	30,319	-	(559,354)	(529,035)
Balance as at 31 October 2016	\$ 267,563	667,882	3,156	2,934,936	3,873,537

SEGMENT REPORTING (STATED IN \$'000)

	Retail, Corporate & Commercial Banking	Asset Management	Insurance Services	Other	Total
UNAUDITED					
Year ended 31 October 2017					
Total Revenue	\$ 1,562,272	5,628	154,123	3,423	1,725,446
Material non-cash items					
Depreciation	18,069	-	-	-	18,069
Income before taxation	\$ 802,311	3,349	125,241	3,279	934,180
Assets	\$ 13,955,789	36,703	2,000,801	8,400,027	24,393,320
Liabilities	\$ 18,538,048	670	1,362,501	537,708	20,438,927
AUDITED					
Year ended 31 October 2016					
Total Revenue	\$ 1,447,606	3,803	153,491	3,360	1,608,260
Material non-cash items					
Depreciation	17,700	16	-	-	17,716
Income before taxation	\$ 709,942	2,316	124,438	3,326	840,022
Assets	\$ 13,275,224	34,729	1,840,534	8,113,633	23,264,120
Liabilities	\$ 17,571,183	417	1,302,622	516,361	19,390,583

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 2016.

Comparative information

Comparative amounts have been restated to conform to presentation changes in the current financial period.