



Scotiabank

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED BALANCE SHEET HIGHLIGHTS (STATED IN \$'000)

	UNAUDITED As at July 31, 2006	UNAUDITED As at July 31, 2005	AUDITED As at October 31, 2005
ASSETS			
CASH RESOURCES			
Cash	\$ 54,976	\$ 67,875	\$ 47,681
Other cash resources	135,877	541,413	445,083
Deposits with Central Bank	953,176	129,346	583,675
Treasury bills	15,374	256,676	265,129
	1,159,403	995,310	1,341,568
NET LOANS TO CUSTOMERS	6,720,093	5,344,216	5,536,564
INVESTMENTS	559,285	592,113	647,460
OTHER ASSETS			
Customers' liability under acceptances, guarantees and letters of credit, per contra	862,904	770,738	834,341
Property, plant and equipment	188,051	181,869	182,933
Miscellaneous assets	132,906	167,482	151,947
	1,183,861	1,120,089	1,169,221
TOTAL ASSETS	\$ 9,622,642	\$ 8,051,728	\$ 8,694,813
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 6,899,839	\$ 5,749,791	\$ 6,155,889
Other fund raising instruments	6,444	7,313	7,511
Other deposit liabilities	31,082	188,949	3,679
Other liabilities	162,283	86,883	96,333
Securities sold under repurchase agreement	-	-	94,000
Acceptances, guarantees and letters of credit, per contra	862,904	770,738	834,341
Provision for taxation	21,307	31,152	32,534
Policyholders' liabilities	111,056	67,150	81,812
Debt security in issue	200,000	-	200,000
	8,294,915	6,901,976	7,506,099
DEFERRED TAX LIABILITY	25,737	29,963	26,374
SHAREHOLDERS' EQUITY			
Stated capital	117,563	117,563	117,563
Statutory reserve fund	262,748	222,035	222,748
Proposed dividend	27,039	22,337	27,039
Investment revaluation reserve	15,867	23,629	20,537
Retained earnings	878,773	734,225	774,453
	1,301,990	1,119,789	1,162,340
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 9,622,642	\$ 8,051,728	\$ 8,694,813

CONSOLIDATED INCOME STATEMENT (STATED IN \$'000)

	UNAUDITED Nine months ended July 31, 2006	UNAUDITED Nine months ended July 31, 2005	AUDITED Year ended October 31, 2005
NET INTEREST AND OTHER INCOME			
Net Interest Income	\$ 380,792	\$ 307,281	\$ 418,980
Other Income	129,458	117,848	162,900
Net Interest and Other Income	510,250	425,129	581,880
NON-INTEREST EXPENSES			
Salaries and staff benefits	101,448	100,534	133,597
Premises and technology	44,968	36,819	58,528
Communications and marketing	18,436	9,248	20,635
Loan loss expense	4,709	4,264	5,165
Other	45,100	47,037	52,259
Non-Interest Expenses	214,661	197,902	270,184
INCOME BEFORE TAXATION	295,589	227,227	311,696
Provision for taxation	(70,150)	(65,161)	(84,463)
INCOME AFTER TAXATION	\$ 225,439	\$ 162,066	\$ 227,233
Dividends Paid & Proposed for financial year	\$ 81,118	\$ 67,011	\$ 94,049
Dividends per share	69.0c	57.0c	80.0c
Earnings per share	191.8c	137.9c	193.3c
Return on Equity	24.46%	20.15%	20.72%
Return on Total Assets	3.29%	2.79%	2.81%
Market Value	\$ 37.97	\$ 39.50	\$ 39.50



Scotiabank

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED JULY 31, 2006 (STATED IN \$'000)

NINE MONTHS ENDED JULY 31, 2006

Balance as at October 31, 2005

Changes in fair value, net of tax
Net profit for the period
Transfer to statutory reserve
Dividends proposed
Dividends paid

Balance as at July 31, 2006

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at October 31, 2005	\$ 117,563	222,748	27,039	20,537	774,452	1,162,339
Changes in fair value, net of tax	-	-	-	(4,670)	-	(4,670)
Net profit for the period	-	-	-	-	225,439	225,439
Transfer to statutory reserve	-	40,000	-	-	(40,000)	-
Dividends proposed	-	-	81,118	-	(81,118)	-
Dividends paid	-	-	(81,118)	-	-	(81,118)
Balance as at July 31, 2006	\$ 117,563	262,748	27,039	15,867	878,773	1,301,990

NINE MONTHS ENDED JULY 31, 2005

Balance as at October 31, 2004

Changes in fair value, net of tax
Net profit for the period
Transfer to statutory reserve
Dividends proposed
Dividends paid

Balance as at July 31, 2005

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at October 31, 2004	\$ 117,563	192,035	23,513	28,943	669,170	1,031,224
Changes in fair value, net of tax	-	-	-	(5,314)	-	(5,314)
Net profit for the period	-	-	-	-	162,066	162,066
Transfer to statutory reserve	-	30,000	-	-	(30,000)	-
Dividends proposed	-	-	67,011	-	(67,011)	-
Dividends paid	-	-	(68,187)	-	-	(68,187)
Balance as at July 31, 2005	\$ 117,563	222,035	22,337	23,629	734,225	1,119,789

YEAR ENDED OCTOBER 31, 2005

Balance as at October 31, 2004

Changes in fair value, net of tax
Gains transferred to net profit, net of tax
Net income for the year
Adjustment to deferred tax provisions through retained earnings
Transfer to statutory reserve
Dividends proposed
Dividends paid

Balance as at October 31, 2005

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at October 31, 2004	\$ 117,563	192,035	23,513	28,943	669,170	1,031,224
Changes in fair value, net of tax	-	-	-	(7,606)	-	(7,606)
Gains transferred to net profit, net of tax	-	-	-	(800)	-	(800)
Net income for the year	-	-	-	-	227,232	227,232
Adjustment to deferred tax provisions through retained earnings	-	-	-	-	2,812	2,812
Transfer to statutory reserve	-	30,713	-	-	(30,713)	-
Dividends proposed	-	-	94,049	-	(94,049)	-
Dividends paid	-	-	(90,523)	-	-	(90,523)
Balance as at October 31, 2005	\$ 117,563	222,748	27,039	20,537	774,452	1,162,339

CONSOLIDATED CASH FLOW (STATED IN \$'000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income before taxes
Increase in loans
Increase in deposits
Taxation paid
Other adjustments to reconcile income before taxation to net cash from operating activities

Net cash (used in) / from operating activities

CASH FLOWS USED IN INVESTING ACTIVITIES

Decrease / (Increase) in investments
Purchase of property, plant & equipment
Proceeds from disposal of property, plant & equipment

Net cash from / (used in) investing activities

CASH FLOWS USED IN FINANCING ACTIVITIES

Dividends paid
Increase in debt security in issue

Net cash (used in) / from financing activities

(Decrease) / Increase in cash and cash equivalents
Cash and cash equivalents, beginning of period

Cash and cash equivalents, end of period

CASH AND CASH EQUIVALENTS

Cash resources
Other deposit liabilities

Cash and cash equivalents

	UNAUDITED Nine months ended July 31, 2006	UNAUDITED Nine months ended July 31, 2005	AUDITED Year ended October 31, 2005
Net income before taxes	\$ 295,589	\$ 227,227	\$ 311,696
Increase in loans	(1,183,530)	(746,048)	(938,396)
Increase in deposits	648,883	449,924	950,220
Taxation paid	(82,291)	(54,057)	(72,137)
Other adjustments to reconcile income before taxation to net cash from operating activities	127,971	5,035	49,819
Net cash (used in) / from operating activities	\$ (193,378)	\$ (117,919)	\$ 301,202
Decrease / (Increase) in investments	\$ 83,782	\$ (13,753)	\$ (71,956)
Purchase of property, plant & equipment	(19,734)	(28,586)	(38,264)
Proceeds from disposal of property, plant & equipment	880	1,452	4,076
Net cash from / (used in) investing activities	\$ 64,928	\$ (40,887)	\$ (106,144)
Dividends paid	\$ (81,118)	\$ (68,187)	\$ (90,523)
Increase in debt security in issue	-	-	200,000
Net cash (used in) / from financing activities	\$ (81,118)	\$ (68,187)	\$ 109,477
(Decrease) / Increase in cash and cash equivalents	\$ (209,568)	\$ (226,993)	\$ 304,535
Cash and cash equivalents, beginning of period	1,337,889	1,033,354	1,033,354
Cash and cash equivalents, end of period	\$ 1,128,321	\$ 806,361	\$ 1,337,889
Cash resources	\$ 1,159,403	\$ 995,310	\$ 1,341,568
Other deposit liabilities	(31,082)	(188,949)	(3,679)
Cash and cash equivalents	\$ 1,128,321	\$ 806,361	\$ 1,337,889

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 October 31, 2005.

TO OUR SHAREHOLDERS

We are pleased to report another successful quarter for the Scotiabank Group, with income after tax recorded at \$225.4 million for the period ended July 31, 2006.

The results reflect an increase of 39.10% over the comparative period. The increased profitability of the Group is testimony to our continued focus on Sales and Service disciplines, which has resulted in growth in Net loans to customers of approximately \$1.38 billion or 25.75% over the third quarter of fiscal 2005. Strong growth in the areas of Retail, Commercial and Corporate lending contributed to the overall loan increases for the period. Additionally the 5% reduction in the corporate tax rate and continued discipline in controlling non-interest expenses contributed to the excellent quarter's performance.

On the basis of performance to date, the Directors have resolved that the Bank pay a third interim dividend of 23 cents per ordinary share (2005 - 19 cents) on September 26, 2006 to shareholders on record as at September 05, 2006.

With respect to the bonus share issue which was approved by you, we advise that regulatory approval is still being sought.

August 23, 2006

Richard P. Young
Managing Director