



# Scotiabank

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

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

	UNAUDITED As At April 30, 2005	UNAUDITED As At April 30, 2004	AUDITED As At October 31, 2004
<b>ASSETS</b>			
<b>CASH RESOURCES</b>			
Cash	\$ 64,851	\$ 68,503	\$ 62,256
Deposits with Central Bank	501,621	611,996	437,052
Treasury bills	134,121	150,647	101,205
Other cash resources	345,751	605,797	443,272
	1,046,344	1,436,943	1,043,785
<b>NET LOANS TO CUSTOMERS</b>	4,923,873	4,320,193	4,598,168
<b>INVESTMENTS</b>	629,672	497,930	583,330
<b>OTHER ASSETS</b>			
Customers' liability under acceptances, guarantees and letters of credit, per contra	727,094	890,825	972,192
Property, plant and equipment	174,759	168,191	168,194
Miscellaneous assets	142,777	96,484	137,224
	1,044,630	1,155,500	1,277,610
<b>TOTAL ASSETS</b>	\$ 7,644,519	\$ 7,410,566	\$ 7,502,893
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Deposits	\$ 5,591,331	\$ 5,338,500	\$ 5,282,149
Other fund raising instruments	7,482	98,599	25,031
Other deposit liabilities	46,202	28,593	10,431
Acceptances, guarantees and letters of credit, per contra	727,094	890,825	972,192
Provision for taxation	21,647	15,246	19,111
Policyholders' liabilities	54,061	1,626	32,546
Other liabilities	84,348	33,596	99,654
	6,532,165	6,406,985	6,441,114
<b>DEFERRED TAX LIABILITY</b>	27,004	37,699	30,555
<b>SHAREHOLDERS' EQUITY</b>			
Stated capital	117,563	117,563	117,563
Statutory reserve fund	212,035	178,004	192,035
Proposed dividend	22,337	21,161	23,513
Investment revaluation reserve	25,690	14,910	28,943
Retained earnings	707,725	634,244	669,170
	1,085,350	965,882	1,031,224
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$ 7,644,519	\$ 7,410,566	\$ 7,502,893

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

	UNAUDITED Six months ended April 30, 2005	UNAUDITED Six months ended April 30, 2004	AUDITED Year ended October 31, 2004
<b>NET INTEREST AND OTHER INCOME</b>			
Net Interest Income	\$ 199,390	\$ 189,027	\$ 380,550
Other Income	74,185	83,462	162,643
Net Interest and Other Income	273,575	272,489	543,193
<b>NON-INTEREST EXPENSES</b>			
Salaries and staff benefits	67,089	57,207	127,917
Premises and technology	25,993	25,951	55,213
Communications and marketing	9,248	9,493	19,361
Loan loss expense	1,998	6,479	7,630
Other	24,192	23,814	52,315
Non-Interest Expenses	128,520	122,944	262,436
<b>INCOME BEFORE TAXATION</b>	145,055	149,545	280,757
Provision for taxation	(41,827)	(39,651)	(77,231)
<b>INCOME AFTER TAXATION</b>	\$ 103,228	\$ 109,894	\$ 203,526
Dividends Paid & Proposed for financial year	\$ 44,674	\$ 42,323	\$ 86,997
Dividends per share	38.0c	36.0c	74.0c
Earnings per share	87.8c	93.5c	173.1c
Return on Equity	19.74%	23.98%	20.95%
Return on Total Assets	2.75%	3.02%	2.71%
Market Value	\$ 39.94	\$ 29.70	\$ 31.50



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## SCOTIABANK TRINIDAD AND TOBAGO LIMITED

### 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, 2004.

### TO OUR SHAREHOLDERS

We are pleased to report another successful quarter for the Scotiabank Group, with income after tax recorded at \$103.2 million for the period ended April 30, 2005.

During the current quarter a previously unrecorded liability relating to a transaction performed during the first quarter of fiscal 2004 by the Group's subsidiary, Scotiitrust & Merchant Bank Trinidad & Tobago Limited was discovered. This amounted to \$6.9 million and has been accounted for through the current period's Consolidated Income Statement. Restating for the previously unrecorded liability, the six month results would have shown an increase of 7.1% over the comparative period one year ago. As a result of the correction in the current period, the comparative results reflect a decrease of 6.1%.

The Group's consistent focus on expanding revenue streams, first-rate execution and customer-centric service excellence have enabled us to achieve results within our target range. This is manifest by strong growth in net loans outstanding which has increased by \$604 million or 14% over the previous year and places the Group on a strong footing for the remaining six months of this fiscal year.

On the basis of performance to date, the Directors have resolved that the Bank pay a second interim dividend of 19 cents per ordinary share (2004 - 18 cents) on June 24, 2005 to shareholders on record as at June 6, 2005.

May 24, 2005  
Richard P. Young  
Managing Director

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED APRIL 30, 2005 (STATED IN \$'000)

### SIX MONTHS ENDED APRIL 30, 2005

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>Balance as at October 31, 2004</b>	\$ 117,563	192,035	23,513	28,943	669,170	1,031,224
Loss from changes in fair value, net of tax	-	-	-	(3,253)	-	(3,253)
Net profit for the period	-	-	-	-	103,228	103,228
Transfer to statutory reserve	-	20,000	-	-	(20,000)	-
Dividends proposed	-	-	44,674	-	(44,674)	-
Dividends paid	-	-	(45,849)	-	-	(45,849)
<b>Balance as at April 30, 2005</b>	\$ 117,563	212,035	22,337	25,690	707,724	1,085,350

### SIX MONTHS ENDED APRIL 30, 2004

<b>Balance as at October 31, 2003</b>	\$ 117,563	158,004	22,337	27,551	586,672	912,127
Gains from changes in fair value, net of tax	-	-	-	(12,641)	-	(12,641)
Net profit for the period	-	-	-	-	109,894	109,894
Transfer to statutory reserve	-	20,000	-	-	(20,000)	-
Dividends proposed	-	-	42,322	-	(42,322)	-
Dividends paid	-	-	(43,498)	-	-	(43,498)
<b>Balance as at April 30, 2004</b>	\$ 117,563	178,004	21,161	14,910	634,244	965,882

### YEAR ENDED OCTOBER 31, 2004

<b>Balance as at October 31, 2003</b>	\$ 117,563	158,004	22,337	27,551	586,672	912,127
Gains from changes in fair value, net of tax	-	-	-	1,392	-	1,392
Net income for the year	-	-	-	-	203,526	203,526
Transfer to statutory reserve	-	34,031	-	-	(34,031)	-
Dividends proposed	-	-	86,997	-	(86,997)	-
Dividends paid	-	-	(85,821)	-	-	(85,821)
<b>Balance as at October 31, 2004</b>	\$ 117,563	192,035	23,513	28,943	669,170	1,031,224

## CONSOLIDATED CASH FLOW (STATED IN \$'000)

	UNAUDITED Six months ended April 30, 2005	UNAUDITED Six months ended April 30, 2004	AUDITED Year ended October 31, 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income before taxes	\$ 145,055	\$ 149,545	\$ 280,757
Increase in loans	(325,704)	(68,445)	(346,420)
Increase / (Decrease) in deposits	291,633	(211,434)	(341,353)
Taxation paid	(43,114)	(43,676)	(81,687)
Other adjustments to reconcile income before taxation to net cash from operating activities	8,941	2,078	72,993
Net cash from / (used in) operating activities	\$ 76,811	\$ (171,932)	\$ (415,710)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
(Increase) / Decrease in investments	\$ (49,323)	\$ 202,334	\$ 124,864
Purchase of fixed assets	(15,842)	(4,993)	(17,318)
Proceeds from disposal of fixed assets	991	342	1,242
Net cash (used in) / from investing activities	\$ (64,174)	\$ 197,683	\$ 108,788
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Dividends paid	\$ (45,849)	\$ (43,498)	\$ (85,821)
Decrease in cash and cash equivalents	\$ (33,212)	\$ (17,747)	\$ (392,743)
Cash and cash equivalents, beginning of period	1,033,354	1,426,097	1,426,097
Cash and cash equivalents, end of period	\$ 1,000,142	\$ 1,408,350	\$ 1,033,354
<b>CASH AND CASH EQUIVALENTS</b>			
Cash resources	\$ 1,046,344	\$ 1,436,943	\$ 1,043,785
Other deposit liabilities	(46,202)	(28,593)	(10,431)
Cash and cash equivalents	\$ 1,000,142	\$ 1,408,350	\$ 1,033,354