



# Scotiabank

SCOTIABANK TRINIDAD AND TOBAGO LIMITED

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

	AUDITED As at October 31, 2005	AUDITED As at October 31, 2004
<b>ASSETS</b>		
<b>CASH RESOURCES</b>		
Cash	\$ 47,681	\$ 62,256
Deposits with Central Bank	583,675	437,052
Treasury bills	265,129	101,205
Other cash resources	445,083	443,272
	<b>1,341,568</b>	<b>1,043,785</b>
<b>NET LOANS TO CUSTOMERS</b>	<b>5,536,564</b>	<b>4,598,168</b>
<b>INVESTMENTS</b>	<b>647,460</b>	<b>583,330</b>
<b>OTHER ASSETS</b>		
Customers' liability under acceptances, guarantees and letters of credit, per contra	834,341	972,192
Property, plant and equipment	182,933	168,194
Miscellaneous assets	44,186	29,362
Retirement benefit asset	107,761	107,862
	<b>1,169,221</b>	<b>1,277,610</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,694,813</b>	<b>\$ 7,502,893</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$ 5,992,884	\$ 5,282,149
Other fund raising instruments	7,511	25,031
Other deposit liabilities	166,684	10,431
Other liabilities	45,595	56,904
Securities sold under repurchase agreement	94,000	-
Acceptances, guarantees and letters of credit, per contra	834,341	972,192
Provision for taxation	32,534	19,111
Policyholders' liabilities	81,812	32,546
Debt security in issue	200,000	-
Retirement benefit obligations	50,738	42,750
	<b>7,506,099</b>	<b>6,441,114</b>
<b>DEFERRED TAX LIABILITY</b>	<b>26,374</b>	<b>30,555</b>
<b>SHAREHOLDERS' EQUITY</b>		
Stated capital	117,563	117,563
Statutory reserve fund	222,748	192,035
Proposed dividend	27,039	23,513
Investment revaluation reserve	20,537	28,943
Retained earnings	774,453	669,170
	<b>1,162,340</b>	<b>1,031,224</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 8,694,813</b>	<b>\$ 7,502,893</b>

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

	AUDITED Year ended October 31, 2005	AUDITED Year ended October 31, 2004
<b>NET INTEREST AND OTHER INCOME</b>		
Loan	\$ 478,645	\$ 449,878
Other	62,108	63,960
Total Interest Income	<b>540,753</b>	<b>513,838</b>
Deposit	110,679	121,297
Other	11,094	11,991
Total Interest Expense	<b>121,773</b>	<b>133,288</b>
Net Interest Income	<b>418,980</b>	<b>380,550</b>
Other Income	162,900	162,643
Net Interest and Other Income	<b>581,880</b>	<b>543,193</b>
<b>NON-INTEREST EXPENSES</b>		
Salaries and staff benefits	133,597	127,917
Premises and technology	58,528	55,213
Communications and marketing	20,635	19,361
Loan loss expense	5,165	7,630
Other	52,259	52,315
Non-Interest Expenses	<b>270,184</b>	<b>262,436</b>
<b>INCOME BEFORE TAXATION</b>	<b>311,696</b>	<b>280,757</b>
Provision for taxation	(84,463)	(77,231)
<b>INCOME AFTER TAXATION</b>	<b>\$ 227,233</b>	<b>\$ 203,526</b>
Dividends Paid & Proposed for financial year	\$ 94,049	\$ 86,997
Dividends per share	<b>80.0c</b>	<b>74.0c</b>
Earnings per share	<b>193.3c</b>	<b>173.1c</b>
Return on Equity	<b>20.72%</b>	<b>20.95%</b>
Return on Total Assets	<b>2.81%</b>	<b>2.71%</b>
Market Value	\$ 39.50	\$ 31.50



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SCOTIABANK TRINIDAD AND TOBAGO LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED OCTOBER 31, 2005 (STATED IN \$'000)

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>Year ended October 31, 2005</b>						
<b>Balance as at October 31, 2004</b>	\$ 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 profit for the period	-	-	-	-	227,233	227,233
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)
<b>Balance as at October 31, 2005</b>	<b>\$ 117,563</b>	<b>222,748</b>	<b>27,039</b>	<b>20,537</b>	<b>774,453</b>	<b>1,162,340</b>

	Stated Capital	Statutory Reserve	Proposed Dividend	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
<b>Year ended October 31, 2004</b>						
<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 profit for the period	-	-	-	-	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>	<b>\$ 117,563</b>	<b>192,035</b>	<b>23,513</b>	<b>28,943</b>	<b>669,170</b>	<b>1,031,224</b>

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

	AUDITED Year ended October 31, 2005	AUDITED Year ended October 31, 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before taxes	\$ 311,696	\$ 280,757
Increase in loans	(938,396)	(346,420)
Increase / (decrease) in deposits	787,215	(341,353)
Taxation paid	(72,137)	(81,687)
Other adjustments to reconcile income before taxation to net cash from operating activities	49,819	72,993
Net cash from / (used in) operating activities	\$ 138,197	\$ (415,710)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
(Increase) / decrease in investments	\$ (71,956)	\$ 124,864
Purchase of property, plant and equipment	(38,264)	(17,319)
Proceeds from disposal of property, plant and equipment	4,076	1,243
Net cash (used in) / from investing activities	\$ (106,144)	\$ 108,788
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Dividends paid	\$ (90,523)	\$ (85,821)
Increase in debt security in issue	200,000	-
Net cash from / (used in) financing activities	\$ 109,477	\$ (85,821)
Increase / (decrease) in cash and cash equivalents	\$ 141,530	\$ (392,743)
Cash and cash equivalents, beginning of period	1,033,354	1,426,097
Cash and cash equivalents, end of period	\$ 1,174,884	\$ 1,033,354
<b>CASH AND CASH EQUIVALENTS</b>		
Cash resources	\$ 1,341,568	\$ 1,043,785
Other deposit liabilities	(166,684)	(10,431)
Cash and cash equivalents	\$ 1,174,884	\$ 1,033,354

## 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 year for the Scotiabank Group, with record income after tax of \$227 million, an increase of \$23.7 million or 11.65%, over the comparative period one year ago.

The current year's performance represents the thirteenth consecutive year of increased profitability for the Group and has been driven by strong growth in its core retail business, coupled with focused treasury management.

On the basis of performance to date, the Directors have resolved that the Bank pay a fourth interim dividend of 23 cents per ordinary share on December 28, 2005 to shareholders on record as at December 9, 2005. This will bring the total dividend paid to shareholders, for the year, to 80 cents (2004 : 74 cents).

Richard P. Young  
Managing Director

November 28, 2005