

To Our Shareholders

The Directors are pleased to announce that Scotiabank Trinidad and Tobago Ltd. (Scotiabank) realised net income after tax of \$561.2 million for the year ended 31 October 2013, an increase of \$15.6 million or 2.9% over the same period last year. Total Assets ended the period at \$19.5 billion, representing growth of 10.2% or \$1.8 billion over the comparative period in 2012.

Conditions in the domestic economy remain challenging, with continuing margin compression due to persistently low interest rates and high liquidity. It is against this backdrop that the Bank continues to focus on growing income through building and maintaining strong customer relationships and diversification of its revenue base through the launch of new products and services. Our strategies to manage credit quality and recoveries continue to bear fruit as evidenced by the reduction in credit losses year over year. Finally we continue to manage expenses while ensuring we invest in our brand, people and infrastructure. Our productivity ratio of 46.7% remains best in class amongst our peer group.

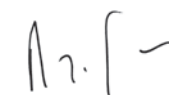
Our capital adequacy ratio remains strong at 26.7%, well above the regulatory minimum of 8%, and the Bank is confident that its prudent approach to risk management will allow the Bank to successfully navigate the current economic environment, and position us to take advantage of future growth opportunities.

On the basis of this performance, the Directors have resolved that the Bank pay a fourth interim dividend of 40 cents per ordinary share and a special dividend of 30 cents (2012 – 32 cents, plus a special dividend of 28 cents) on 7 January 2014 to shareholders on record at 9 December 2013.

27 November 2013



Sylvia D. Chrominska
Chairperson



Anya M. Schnoor
Managing Director

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, 2012.

Comparative information

Comparative amounts in the Consolidated Statement of Income have been restated to conform to presentation changes in the current financial period.

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

	AUDITED As at 31 October 2013	AUDITED As at 31 October 2012
ASSETS		
Cash on hand and in transit	\$ 147,056	\$ 158,931
Due from banks and related companies	2,152,601	1,353,909
Treasury Bills	1,943,181	1,816,020
Deposits with Central Bank	3,117,981	2,901,172
Net loans to customers	10,575,610	9,958,378
Investment securities	1,187,941	1,097,400
Investment in associate companies	21,463	18,823
Property, plant and equipment	244,263	288,087
Miscellaneous assets	74,124	56,254
Goodwill	2,951	2,951
Retirement benefit asset	71,508	72,576
TOTAL ASSETS	\$ 19,538,679	\$ 17,724,501
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 14,391,447	\$ 12,930,857
Due to banks and related companies	51,326	72,107
Other liabilities	184,110	175,025
Securities sold under repurchase agreement	-	12,315
Provision for taxation	29,403	23,010
Policyholders' funds	735,565	637,497
Debt security in issue	618,000	618,000
Deferred tax liability	46,610	31,961
Retirement benefit obligation	116,308	106,204
TOTAL LIABILITIES	16,172,769	14,606,976
SHAREHOLDERS' EQUITY		
Stated capital	267,563	267,563
Statutory reserve fund	502,563	417,563
Investment revaluation reserve	41,444	36,835
Retained earnings	2,554,340	2,395,564
TOTAL SHAREHOLDERS' EQUITY	3,365,910	3,117,525
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 19,538,679	\$ 17,724,501

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

	UNAUDITED Three months ended 31 October 2013	UNAUDITED Three months ended 31 October 2012	AUDITED Year ended 31 October 2013	AUDITED Year ended 31 October 2012
NET INTEREST AND OTHER INCOME				
Net Interest Income	\$ 229,759	\$ 230,590	\$ 896,959	\$ 922,316
Other Income	154,190	100,342	491,963	365,180
Net Interest and Other Income	383,949	330,932	1,388,922	1,287,496
NON-INTEREST EXPENSES				
Loan loss expense	(585)	308	4,129	8,269
Other	180,267	147,150	648,300	570,675
Non-Interest Expenses	179,682	147,458	652,429	578,944
INCOME BEFORE TAXATION	204,267	183,474	736,493	708,552
Provision for taxation	(48,854)	(43,339)	(175,298)	(162,999)
INCOME AFTER TAXATION	\$ 155,413	\$ 140,135	\$ 561,195	\$ 545,553
Dividends Paid & Proposed for financial year	\$ 123,441	\$ 105,806	\$ 335,053	\$ 275,096
Dividends per share	70.0c	60.0c	190.0c	156.0c
Earnings per share	88.1c	79.5c	318.2c	309.4c
Return on Equity	18.52%	18.13%	17.31%	18.47%
Return on Total Assets	3.22%	3.19%	3.01%	3.14%
Market Value	\$ 71.51	\$ 65.00	\$ 71.51	\$ 65.00

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

	UNAUDITED Three months ended 31 October 2013	UNAUDITED Three months ended 31 October 2012	AUDITED Year ended 31 October 2013	AUDITED Year ended 31 October 2012
NET INCOME	\$ 155,413	\$ 140,135	\$ 561,195	\$ 545,553
OTHER COMPREHENSIVE INCOME				
Revaluation of available-for-sale investments, net of tax	(10,038)	2,284	4,609	6,237
TOTAL COMPREHENSIVE INCOME, NET OF TAX	\$ 145,375	\$ 142,419	\$ 565,804	\$ 551,790

Consolidated Cash Flows (Stated In \$'000)

	AUDITED Year ended 31 October 2013	AUDITED Year ended 31 October 2012
Cash flows from operating activities		
Net income before taxes	\$ 736,493	\$ 708,552
(Increase) / Decrease in loans	(617,232)	708,588
Change in deposits	1,460,590	507,175
Change in securities sold under repurchase agreement	(12,315)	(33,809)
Taxation paid	(153,920)	(158,306)
Other adjustments to reconcile income before taxation to net cash from operating activities	(118,157)	8,044
Net cash from operating activities	\$ 1,295,459	\$ 1,740,244
Cash flows used in investing activities		
Change in Treasury Bills with original maturity date due over 3 months	\$ (614,538)	\$ (1,936)
Purchase of investments	(867,447)	(742,849)
Proceeds from redemption of securities	775,233	343,291
Purchase of property, plant and equipment	(48,458)	(37,168)
Proceeds from disposal of property, plant & equipment	70,664	531
Net cash used in investing activities	\$ (684,546)	\$ (438,131)
Cash flows used in financing activities		
Change in debt security in issue	\$ -	\$ (182,000)
Dividends paid	(317,419)	(225,720)
Net cash used in financing activities	\$ (317,419)	\$ (407,720)
Increase in cash and cash equivalents	\$ 293,494	\$ 894,393
Cash and cash equivalents, beginning of period	2,186,262	1,291,869
Cash and cash equivalents, end of period	\$ 2,479,756	\$ 2,186,262
Cash and cash equivalents		
Cash on hand and in transit	\$ 147,056	\$ 158,931
Due from banks and related companies with original maturity date not exceeding 3 months	2,152,601	1,353,909
Treasury Bills with original maturity date not exceeding 3 months	180,099	673,422
Cash and cash equivalents	\$ 2,479,756	\$ 2,186,262

Consolidated Statement Of Changes In Equity For The Period Ended 31 October 2013 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
AUDITED					
Year ended 31 October 2013					
Balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,395,564	3,117,525
Net income for the year	-	-	-	561,195	561,195
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	4,609	-	4,609
Total comprehensive income	-	-	4,609	561,195	565,804
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)
Balance as at 31 October 2013	\$ 267,563	502,563	41,444	2,554,340	3,365,910
AUDITED					
Year ended 31 October 2012					
Balance as at 31 October 2011	\$ 267,563	397,563	30,598	2,095,731	2,791,455
Net income for the year	-	-	-	545,553	545,553
Other comprehensive income, net of tax					
- Revaluation of available-for-sale investments	-	-	6,237	-	6,237
Total comprehensive income	-	-	6,237	545,553	551,790
Transactions with owners, recorded directly into equity					
Transfer to statutory reserve	-	20,000	-	(20,000)	-
Dividends paid	-	-	-	(225,720)	(225,720)
	-	20,000	-	(245,720)	(225,720)
Balance as at 31 October 2012	\$ 267,563	417,563	36,835	2,395,564	3,117,525

Segment Reporting For The Period Ended 31 October 2013 (Stated In \$'000)

	Corporate/ Commercial & Merchant Banking	Retail Banking	Insurance Services	Other	Total Segments	Unallocated Amounts/ Eliminations	Total
AUDITED							
Year ended 31 October 2013							
Net interest income (expense)	\$ 173,293	654,849	63,942	1,141	893,225	4,435	897,660
Fees and commissions	177,535	177,044	78,857	57,826	491,262	-	491,262
Other revenues	-	-	-	-	-	-	-
Net segment interest and other income excluding inter-segment revenues	\$ 350,828	831,893	142,799	58,967	1,384,487	4,435	1,388,922
Inter-segment revenues	1,397	-	46	3	1,446	(1,446)	-
Net segment interest and other income	\$ 352,225	831,893	142,845	58,970	1,385,933	2,989	1,388,922
Net segment profit (loss) before taxes	\$ 293,642	359,171	119,948	(38,058)	734,703	1,790	736,493
Segment Assets	\$ 3,781,086	6,596,208	1,286,814	8,165,628	19,829,736	(291,057)	19,538,679
Segment Liabilities	\$ 4,686,154	8,425,007	772,979	4,922,286	18,806,426	(2,633,657)	16,172,769
AUDITED							
Year ended 31 October 2012							
Net interest income (expense)	\$ 207,205	666,287	56,650	(19,889)	910,253	12,063	922,316
Fees and commissions	112,523	120,623	58,944	73,597	365,687	(507)	365,180
Other revenues	-	-	-	-	-	-	-
Net segment interest and other income excluding inter-segment revenues	\$ 319,728	786,910	115,594	53,708	1,275,940	11,556	1,287,496
Inter-segment revenues	1,205	-	120	7	1,332	(1,332)	-
Net segment interest and other income	\$ 320,933	786,910	115,714	53,715	1,277,272	10,224	1,287,496
Net segment profit (loss) before taxes	\$ 285,407	342,517	98,302	(21,433)	704,793	3,759	708,552
Segment Assets	\$ 3,886,956	6,157,510	1,064,064	7,084,674	18,193,204	(468,703)	17,724,501
Segment Liabilities	\$ 3,631,667	7,708,730	654,881	5,321,993	17,317,271	(2,710,295)	14,606,976