

Celebration of Art Exhibition

Scotia Private Clients Services

Remarks to be delivered - Anya Schnoor

December 8, 2006

On behalf of Scotiabank Wealth Management I want to extend a special welcome to everyone.

- Mrs. Daphne Watson, wife of the Osmond Watson – the great painter and sculptor to whom we pay special tribute – Drs. Beverley and Brian Morgan – who have so kindly assisted us a special loan of Osmond Watson paintings from their personal collection. Beverly will be officially opening our exhibition later.
- Our featured artists, P.J. Stewart, Jasmine Girvan and Norma Rodney Harrack, who is also our curator.
- Other specially invited guests

This event is indeed unique as it brings together three of the most talented and celebrated Caribbean artists.

We want to pay special tribute to a great Jamaican Artist, Mr. Osmond Watson - a defining figure in post-independence Jamaican art. Watson's work can be found in most collections of Jamaican art around the world and in Jamaica, including the National Gallery of Jamaica, where he is among the best-represented artists.

We thought it appropriate to bring them together into a fabulous evening of great entertainment, fantastic food and great company, as our way to say special thanks to you for a wonderful year as very loyal customers.

Art provides perhaps the most fundamental definition of a culture's identity. It represents a culture's avenue for self-expression, political or social commentary, and therapy for the viewer and artist together.

It is important to note that the art market also holds great promise as viable investment. There is the possibility of using artwork for collateral purposes. While art appears more risky than other assets, it is really not a total gamble.

Art collection all over the world is a well-recognized form of investment, which offers great returns. And art markets will continue to develop and mature, as long as affluent individuals' investments are successfully channeled and managed.

Art Finance or Art Advisory is now a service provided by many private banks worldwide. It was introduced to appeal to a private bank's high-end clients, who are natural collectors of art. Services provided often include art appraisal, personal shopping services, art insurance, curatorial services, and art secured lending.

There is also an even faster growing trend of entrepreneurs starting fine art investment firms, with a specialty in providing market financing, research, price forecasting, portfolio management & construction, art investment advisory & risk management.

While we do not offer these services right now, we support our clients' investments in these forms as it builds wealth, supports local economies and builds the art industry.

We see great potential for art to contribute to individual wealth as well as Jamaica's economy at large. Recently, at the opening of Gallery Barrington, our CEO and President of Scotiabank, Mr. William Clarke spoke to the importance of recognizing art as contributing to the Jamaican economy and made a public plea for art to be brought into the mainstream of the economy.

Mr. Clarke noted that the art sector generates billions worldwide and Jamaican artists needed to take a more pragmatic approach to their business and recognize that art is also a tool of social and economic development, employment and job generation and for both artists themselves and other support staff.

If banks would lend either for the purchase of art works or provide investors with trade financing for inventory,

the liquidity gained in the market would smooth volatility and bring more players to the market.

The art market still operates at a somewhat primitive level compared to other developed asset classes such as the contemporary stock market. It is likened to the stock market 150 years ago, when paper stock certificates were traded under oak trees on Wall Street.

However, research has shown that quiet niches have arisen across various financial groups to further the art market's development. A few firms have attempted art mutual funds that buy and hold art as their underlying asset. In some cases, high net-worth clientele receive financial services related to art by the largest of banks in America and Europe.

Scotiabank strongly believes in encouraging and supporting Jamaican artists and providing opportunities to showcase their work. Art, like anything else, can be marketed. And art collectors do want the "brand name"

or the popular artist's work. It is up to us to sell our Jamaican art internationally, and build that brand.

For us, it is only natural that we seek to pair art and wealth together. Scotiabank itself is an avid art collector. Our locations islandwide proudly display the works of many prominent Jamaican artists.

We hope that as you enjoy the evening of artistic expression, you will also consider the tremendous potential of this cultural expression as a sound and satisfying investment for you and for your country.

After all, at the end of the day, our commitment in Scotia Wealth is to make your dreams come true and we remain very committed to servicing *all* your wealth needs to the highest standards and with the most professional customer service.

Enjoy the show and have a great evening!

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