

MEDIA RELEASE

Scotiabank maintains record trend

Six month highlights compared to the same period a year ago

- Net income of \$143.8 million, up \$40.6 million or 39.4%
- Simultaneously, Earnings per share of 122.4 cents, up 39.4% from 87.8 cents
- Dividends per share 46 cents, up 17.9% from 39 cents
- Return on Assets 3.24%, compared to 2.75%
- Return on Equity 24.11%, compared to 19.74%.
- Productivity Ratio of 41.6%, compared to 46.3%
- Share Price of \$39.25 as at quarter end, compared to \$39.94, a decrease of 2%

Scotiabank Trinidad and Tobago Limited and its Subsidiaries today reported record after tax profits of \$143.8 million for the period ended April 30, 2006, an increase of 39% over the comparative period one year ago.

Earnings Per Share (EPS) for the period was 122.4 cents, compared to 87.8 cents over the similar period last year. Return on Average Equity (ROE) for the period was 24.11% and the Productivity Ratio of 41.57% remains one of the strongest in the Sector.

The Board of Directors has resolved that the Bank pay a second interim dividend of 23 cents per ordinary share payable on June 23, 2006 to shareholders on record at June 2, 2006.

Additionally, the Shareholders of the Bank have approved, a Bonus Issue of Fifty-eight Million Seven Hundred and Eighty-one Thousand Two Hundred and Fifty (58,781,250) new Ordinary Shares to be distributed among the Shareholders of the Bank in proportion of One (1) Ordinary Share for every Two (2) Ordinary Shares held by such Shareholders as are registered at the close of business on a date to be determined by the Directors subject to regulatory approval and licenses. The Bonus Issue will be financed by capitalising One Hundred and Fifty Million Dollars (\$150,000,000) from Retained Earnings. The Bonus Issue will increase the Issued and Fully Paid Shares from One Hundred and Seventeen Million Five Hundred and Sixty-two Thousand Five Hundred (117,562,500) to One Hundred and Seventy-six Million Three Hundred and Forty-three Thousand Seven Hundred and Fifty (176,343,750). It should be noted that the second interim dividend will apply to shares held prior to the Bonus Issue.

REVENUES

Total revenue, comprising net interest income and other revenue, was \$328.5 million, an increase of 20.1% or \$54.9 million over the comparative period for last year.

NET INTEREST INCOME

Net Interest Income was \$245.8 million, an increase of 23.3% or \$46.4 million over the comparative period one year ago and is attributed to strong loan growth coupled with focused treasury management.

OTHER REVENUE

Other Revenue, which includes commissions and fees, was recorded at \$82.7 million, which was an 11.5% increase over last year.

NON-INTEREST EXPENSES

Scotiabank's productivity ratio continues to be the best in the banking industry, as we continue to derive benefits, both in terms of enhanced customer service and increased productivity, from our ongoing technology initiatives. The productivity ratio (non-interest expense as a percentage of total revenue), a key measure of cost effectiveness, was 41.57%.

BALANCE SHEET

Total assets, as at April 30, 2006, were \$9.2 billion, an increase of \$1.6 billion or 20.6% over the same period last year. Cash Resources increased marginally by \$141.5 million due primarily due to a decrease in surplus funds placed on the inter-bank market. This was partially offset with an increase in funds held with the Central Bank due to a new deposit requirement introduced for commercial banks during the quarter. Net loans outstanding have increased by \$1.3 billion or 27.3% due to equally strong growth in the areas for consumer, commercial and corporate lending. Investments have decreased by \$75.1 million or 11.9%, over the previous period last year, while Deposits are recorded at \$6.6 billion, an 18.5% increase over the same period.

CAPITAL

The Group continued to strengthen its capital through growth in earnings. Total shareholders' equity grew to \$1.2 billion, 14.6% or \$158 million higher than the previous year.

A capital adequacy ratio of 8%, for Trinidad and Tobago banks, has been set by the Central Bank of Trinidad and Tobago, and is consistent with international standards. The Bank's capital adequacy ratio stood at 17.16% as at April 30, 2006 (2005: 18.68%).

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