MEDIA RELEASE

Scotiabank records 39% growth in profits representing its 14th successive year of increased earnings.

Year over Year highlights

- Net income up 38.7% to $315.1 millions
- Earnings per share grew by 49.8 cents to 178.7 cents
- Dividends per share improved 31.3% to 70.0 cents, up from 53.3 cents
- Return on Assets measured 3.52%, compared to 3.16% in 2005
- Return on Equity improved to 25.05%, from 20.72%
- Productivity Ratio of 41.93%, compared to 45.55%
- Share Price of $25.30, compared to $26.33

Scotiabank Trinidad and Tobago Limited and its Subsidiaries reported a record Profit after tax of $315.1 millions for the year ended October 31, 2006 bringing Earnings Per Share (EPS) to178.7 cents. This represents an impressive growth of 38.7% year over year, 14 successive years of increased earnings.

The Managing Director, Mr. Richard P. Young attributed this record growth to the Bank's excellent execution of its strategic initiatives undertaken throughout the Group.

All of the Group's performance ratios showed notable improvement as Return on Equity (ROE) for the period was 25.05%, Return on Assets measured 3.52% and the Productivity Ratio of 41.93% remains the best in the Sector.

Based on the Group's performance, the Board of Directors has resolved that a fourth interim dividend of 24 cents per ordinary share be paid on December 27, 2006 to shareholders on record at December 8, 2006. Of this 4 cents is a direct consequence of the outstanding performance. The total dividends paid for the year have amounted to $124,440,625, as compared to $94,050,000 in fiscal 2005, an increase of $29,390,625.

NET INTEREST INCOME
Net Interest Income increased 24.2% from $418.9 millions in 2005 to $520.5 millions driven by aggressive portfolio growth coupled with focused treasury management.

OTHER INCOME
Other Income, which includes commissions and fees, totaled $193.9 millions for the year. Compared to the $162.9 millions earned last year this represents a 19.1% increase.

REVENUES
Total revenue, comprising net interest income and other income, was $714.5 millions, an increase of 22.8% or $132.6 millions compared to $581.9 millions achieved in the prior period.

NON-INTEREST EXPENSES

While Non Interest Expenses increased by 13.1%, Total Revenue increased by 22.8%. This shows improved efficiencies evidenced by our Productivity ratio improving to 41.93%. This is reflective of our enhanced customer service, improved technology and increased efficiency delivered by our well trained staff. Focused expense management was also a major contributor.

OPERATING LEVERAGE RATIO

This is a measurement of how well the Group has done managing its growth in Income over its Expenses. It is the difference between the increase in Income year over year and the increase in Expenses year over year. A positive differential means that Income growth is higher than Expenses growth.

The Group Operating Leverage Ratio was 9.7% compared to 4.2% last year.

BALANCE SHEET

The Total Asset Base grew by an impressive $1.3 billion. This was driven by aggressive growth in the loan portfolio, which increased by 26% from $5.5 billion in 2005 to $6.9 billion.

Deposits at Central Bank showed 64.8% growth due to additional statutory requirements placed on Commercial Banks while Investments showed a decline of 15% from $647.5 millions to $549.6 millions. The majority of this represented maturities on the portfolio.

Customer Deposits grew by 13% to $6.8 billion for the year to October 31, 2006 representative of the market's confidence in our continued performance. Total Liabilities increased by 17% to $7.8 billion compared to $6.7 billion in 2005. In addition to growth in Customer Deposits, Other Deposit Liabilities also contributed to growth in Total Liabilities.

CAPITAL

Share Capital increased by $150 millions representing the bonus shares issued in September 2006. This move allows the required Capital base to grow the Customer Deposits.

The Group continued to strengthen its capital through growth in earnings. Total shareholders' equity grew to $1.4 billion, 16.4% or $191 million higher than the previous year.

The Bank's capital adequacy ratio measured 19.23% as at October 31, 2006 (2005: 18.54%). This is way above the minimum capital adequacy ratio of 8% specified by regulators and is consistent with international standards.

For further information please contact Adrian Lezama, Assistant General Manager, Finance at 625-3566 extension 2300.