



ADDRESS TO BE DELIVERED BY
RICHARD P. YOUNG, MANAGING DIRECTOR
SCOTIABANK TRINIDAD AND TOBAGO LIMITED
THE 38th ANNUAL MEETING OF SHAREHOLDERS
HILTON TRINIDAD AND CONFERENCE CENTRE

February 22nd 2008

Mr. Robert H. Pitfield, Chairman of the Board of Scotiabank Trinidad and Tobago Limited and Executive Vice President - International Banking, The Bank of Nova Scotia;

Fellow Board Members;

Distinguished Shareholders of Scotiabank Trinidad and Tobago Limited;

Senior Management of Scotiabank Trinidad and Tobago;

Fellow Scotiabankers;

Members of the media;

A pleasant good morning

Once again, I am pleased to report to you, our shareholders, today at our 38th Annual Meeting of Shareholders of Scotiabank Trinidad and Tobago Limited for the year ended October 31st 2007, my 11th year of stewardship!

Over the last fiscal year, we delivered another solid financial performance, retaining our focus on offering a delightful customer experience, diversifying our product offerings, closely managing the expenses and risks associated with the financial industry and engaging our communities through our corporate social responsibility efforts.

Ladies & Gentlemen, this morning it is my intention to share with you various aspects of the Bank's operations in 2007 with special emphasis on the following:

- Our key strategic initiatives
- Our efforts to enhance the customer experience
- The development of our human resource capital
- 2007 financial performance metrics
- Our community involvement
- International recognition
- Our direction for 2008

Over the years, we have stayed true to our Core Purpose which is “To be the best at helping customers become financially better off by providing relevant solutions to their unique needs” and have also kept top of mind our Core Values of Integrity, Respect, Commitment, Insight and Spirit.

In essence, we have indeed persevered in our attempts to operate in what we describe as “The Scotia Way”:

- Remembering always that “The Customer comes first”
- Reinforcing that “Team is everything”

- Doing our utmost to “Empower our people”
- And “Serving our communities proudly”

Also of great significance to us are our 4 key strategic initiatives, which we often refer to as the “Scotiabank House”. The main elements of the “house” include:

- Our People
- Sales & Service
- Complementary Business
- Efficiency Platform
- Acquisitions
- And Our Customers

This concept is a shared vision among members of the Scotiabank Group and serves to keep us goal-aligned and steadfast in the achievement of our organizational objectives.

Five years ago when we began our Sales & Service journey, we wanted to transform the culture of the Bank into a fully integrated Sales & Service organization. The end result today is a robust sales culture that provides our employees with the requisite knowledge and skills to deliver the highest service standards. As you can observe from the slide, our four strategic initiatives are being sustained by the “foundation” of our people, who enable us to meet the needs of that top level of the house - the Customer.

And to share more from the customer perspective, this year we plan to reinforce our commitment to our customers, by rolling out a clear and compelling customer experience, which will ensure that we persuasively differentiate ourselves from our competitors.

To tangibly demonstrate our commitment to delivering on this brand promise, we have created the position of Assistant General Manager, Customer Experience. The primary responsibility of this position is to focus on initiatives aimed at positioning Scotiabank Trinidad and Tobago Limited as the premier financial institution for sustaining exceptional levels of customer satisfaction.

This is a crucial and relevant issue in today's competitive marketplace and our ability to delight our customers through our service delivery undoubtedly has a significant impact on our ability to attract new customers and retain existing clients.

Our delightful performance over the last year is also attributed to exceeding the expectations of satisfied customers as evidenced by the 2007 Customer Satisfaction and Loyalty survey, which showed an overall satisfaction index of **72%**.

Our enviable business model, I must acknowledge, is due mainly to the dedication and commitment of the Scotiabank team who continue to demonstrate our **One Team One Goal** philosophy as we consistently strive to provide outstanding service to our customer base. For this, I want to publicly voice my sincere appreciation as through their day-to-day

operations, they have been persistent in their ongoing efforts to outpace the competition.

Moving now to our Human Resource Management efforts, we continued to aggressively pursue our objective of being an Employer of Choice, refining and implementing initiatives which promote a collaborative and supportive work environment where our employees can trust that their honest feedback and daily contributions to the organization are highly valued.

I am pleased to announce that we have been maintaining our momentum with respect to the hosting of Town Hall meetings, which are typically undertaken during the January to May period. Last fiscal, we completed 31 Town Halls, which translates into 6 Town Halls per month, all after banking hours so our service to our customer is not disrupted.

As usual, we measure our results in all that we do here at Scotiabank, and our Town Hall initiative had a satisfaction rating of 94% in 2007, representing a 4% increase from 2006 and demonstrating that these interactive sessions with our staff members are appreciated and are adding value in terms of our overall human resource strategy.

Another area of focus in 2007 was the Bank's commitment to providing a safe and accident-free working environment for its employees. We developed an Occupational Safety and Health Policy Statement that has been posted at all of our locations and we have appointed an OSH Steering Committee to oversee the relevant issues pertinent to this area.

Furthermore, the Bank can proudly state today that we have conducted Occupational Safety and Health assessments at all of our locations, and provided safety orientation to staff members. In addition, over 40 staff members across various locations underwent training to learn the basics of First Aid and CPR. We went further and hosted a National Safety Week Competition with a challenge trophy being awarded to the winning branch – High Street, San Fernando.

Ladies and gentlemen, in today's increasingly competitive job market, an organization must do its utmost to retain its star performers through clearly defined leadership development programmes. We, at Scotiabank, are cognizant of the importance of succession planning as a key element for continued success of our organization, and it is for this reason, that we hosted 5 leadership workshops in fiscal 2007, whereby 64 employees were exposed to the essentials of leadership development.

Further in this vein, we continued our Fundamentals of Coaching Excellence Programme - an initiative intended to provide a foundational understanding of highly effective coaching and feedback processes. The target audience for this training initiative is managers with direct reports and our ultimate goal is to propel a shift in the culture of Scotiabank Trinidad and Tobago, whereby managers and their reports can engage in mutually rewarding coaching dialogues that contribute to achieving and even surpassing our business objectives. In 2007, over 40 managers underwent training in this area and the intention in 2008 is to continue this programme by targeting an additional 70 managers.

Finally on the Human Resources side, we seek the best graduates to join our team here at Scotiabank and I am pleased to report that in 2007, 133 trainees were exposed to various aspects of the Bank's business, including Operations and Service, Personal Banking, Credit, Small Business, Account Management, Finance and Branch Management.

Let's turn now to an overview of the Group's financial performance. Our Consolidated Profits after Tax amounted to **\$371.1** million in 2007, an increase of **17.78%** year over year, representing the fifteenth consecutive year of increased profitability for the Scotiabank Group. We achieved a Compounded Annual Growth Rate (CAGR) for 10 years of 15.52%. Coincidentally a 10 year CAGR was selected as it represented my period of stewardship!

Turning to our Balance Sheet, Consolidated Assets stood at \$11.6 billion, an increase of \$2.4 billion or 25.71% growth year over year. This resulted from record Growth in Net Loans to Customers, which increased by \$1.8 billion – a noteworthy achievement.

The following slide has some additional financial data on ScotiaLife, which is not in our Annual Report. ScotiaLife, which was launched in April 2004 contributed 7.02% of the Group's profits with a sterling performance of \$26.03 million of Profit after Tax.

Let us look now at Loan Loss Expense. The Group's Loan Loss Expense decreased year over year due to a combination of recoveries and a lower charge for the year. Our Loan Loss Expense for 2007 stood at **\$4.0** million,

a decrease of **\$1.9 million** from 2006. Our credit risk management policies continue to be prudent, as we maintained focused collection efforts across our branches and other distribution networks.

This next slide examines trends in industry loan loss statistics and as you can see when compared to the industry Scotiabank has been faring very well.

When we review our Performance Ratios, Return on Assets, an indication of how much profit Scotiabank generated for each dollar in assets, was calculated as **3.58%** for 2007, well above the industry average of **2.9%**.

On the basis of performance to date, the total dividend paid to shareholders is **84 cents** – up from **14 cents** in 2006. Here we have a 10 year CAGR of **15.24%** which approximates the Profits after Tax CAGR of **15.52%**.

Our next slide shows earnings per share for the period, which was **210.4 cents**, compared with **178.7 cents** over the similar period last year. Consistent growth over the last seven years in this area is apparent.

Return on equity, a measure of how much profit we have generated with the money, you the shareholder have invested in Scotiabank, stood at **25.39%**, compared with **25.05%** in 2006 and well above the industry average of **23.89%**.

Ladies and Gentlemen, it is our goal here at Scotiabank to create long-term value for you - the shareholder. The next slide shows various performance measure ratios sorted by bank, and it is clear from this slide that Scotiabank

continues to perform favorably against industry standards. In fact, for 2007 you may observe we are well positioned in all three performance-related ratios.

Turning to the value of Scotiabank's shares over the last year, shareholders would have observed that the Composite Index decreased by **20.6%** year over year compared to the share price of Scotiabank Trinidad and Tobago Limited, which increased by **12.8%** from **\$25.30** on October 31st 2006 to **\$28.55** on October 31st 2007. This once again highlights the market's confidence in the underlying value of your shareholding in Scotiabank.

Today one Scotiabank share is valued at **\$29.50** giving a market capitalisation of about \$5.2 Billion

Furthermore, aggregate returns to shareholders over the past seven years to October 31, 2007 was **22.10%** per annum, which include dividends and appreciation in the price of ordinary shares.

So much for the Financial performance metrics. Our commitment to Corporate Social Responsibility continues to be strengthened and as you would have observed, this year, we have dedicated a special section of our Annual Report highlighting our efforts in this area. Our branch network, which represents the face of the Bank in the communities in which we operate, engaged in a corporate social responsibility campaign in fiscal 2007, whereby staff members identified non-governmental organizations, charitable groups and homes for the displaced, elderly and orphaned.

They then embarked on various initiatives such as physical refurbishments, donations of much needed supplies and appliances and dedicating their personal time with residents on afternoons and even on weekends. In the last fiscal, we at Scotiabank, can proudly say that we have invested TT\$4 million in donations and sponsorships in the Trinidad and Tobago market.

We continued our fight against Breast Cancer with another successful year, hosting several events, specifically:

- Our Women Against Breast Cancer 5k Classic which saw a participation rate of 4,500 women in 2007.
- Our inaugural Women Against Breast Cancer Charity Dragonboat Festival, held in collaboration with United Way Trinidad and Tobago
- Our annual Women Against Breast Cancer Ladies' Golf Tournament
- A Public Forum providing much needed information to the female population on breast cancer awareness and treatment, where we were pleased to have several prominent medical professionals as feature speakers, including Dr. Anesa Ahamad, Chief Oncologist at the National Oncology Centre.

To date, we can boast that we have facilitated over 7,000 women in their fight against breast cancer through our breast cancer awareness screening, ultrasound and mammogram programme which is conducted annually in the month of October at designated health centers throughout the nation. This year, we are celebrating the 10th anniversary of our Women Against Breast Cancer Programme and on May 17th, we will be hosting our annual 5k Classic and aiming for 6,000 participants.

As you no doubt know, Scotiabank and Cricket in the West Indies have practically become synonymous due to our consistent efforts at passing on the passion of this sport to our youth via our Kiddy Cricket programme.

In the last year as well, Scotiabank was pleased to be a global sponsor of the ICC Cricket World Cup. This sponsorship was indeed beneficial to the Bank, as the return on our investment included heightened brand awareness and visibility, a positive impact on consumer perceptions and attitudes, strengthened loyalty among existing customers, and the tangible demonstration to our employees that we as a Bank are committed to the development of what is perhaps the most loved sport in the region.

I am also pleased to report that after 6 years, we have finally received approval for the registration of a subsidiary company with charitable status to be called Scotiabank Trinidad and Tobago Foundation for approval as a charitable organization. This is the primary vehicle through which we will be organising our corporate social responsibility initiatives. You will hear more about this in time to come.

In summing up, it is by no accident that Scotiabank has achieved these outstanding results in 2007. And when we think about what drives our results, certainly we must make mention of our customer-centric approach to banking, our ongoing efforts to empower our staff and our service to the community.

I am pleased to share with you today the good news that this special “formula” for success, has brought us international recognition by The Banker Magazine and the Financial Times Business Group as Scotiabank Trinidad and Tobago Limited was named **Bank of the Year Trinidad and Tobago 2007** – an accolade which is sought after by all of the Banks in Trinidad and Tobago.

This award was bestowed upon the Bank based on our accelerated growth, driven by our customized product offerings that adequately meet the needs of our customers at the various stages of their lives. This, coupled with our proactive approach to enhancing our transaction speed and efficiency, thereby providing the customer with improved service delivery at their convenience, has enabled us to define our brand in a powerful manner in today’s competitive market environment.

Ladies and gentlemen, let’s now turn our attention to our key priorities for 2008. It is our intention to continue our focus on our Sales and Service disciplines that have consistently resulted in improved top line growth, paying special attention to reviewing and improving our business processes as they become necessary.

We also plan to expand our network through the introduction of new branches and automated teller machines and enter into the arena of Wealth Management under the Scotiabank Private Client Group through the proposed acquisition of the DB&G branch here in T’dad. We have also been working on establishing a stock brokerage business and are now dealing with the various regulators. I wish to take the opportunity to introduce the e

two persons charged with the mandate to get this Complementary business on the road - Ian Narine and Lisa Marie Alexander. In the near future, we will launch a suite of products specially tailored to meet the needs of the Small Business segment as well as another range of product offerings targeted towards the Young Adult Segment. Still in the area of product offerings, we will be diversifying our credit card portfolio by introducing new and exciting cards that will serve to further differentiate us in a compelling manner in the market place.

Some of you may know that we published our first quarter results today following our Board meeting yesterday. A first interim dividend of 23 cents per share was approved by the directors following a strong first quarter, as shown.

In the final analysis, I would also like to express my satisfaction with the progress we have made in 2007. Progress, which has only served to strengthen the Bank's position in the financial services landscape of Trinidad and Tobago and which can be viewed as a fantastic stepping stone to continue producing stellar results.

I thank you all for your support.