

To Our Shareholders

The Directors are pleased to announce that the Group realised income after tax of \$329.2 million for the nine months ended 31 July 2008, representing a 22.7% increase over the comparable period in the prior year.

This strong financial performance places the Group on a solid footing for the remainder of 2008.

The Group's ability to consistently grow over such an extended period is testament to the strength of its people and its approach to managing risk, which recognises the world events occurring in the global financial markets.

In keeping with one of the Group's strategic initiatives of developing business lines which complement its core retail and commercial activities,

Scotiabank and Merchant Bank Trinidad and Tobago Limited a subsidiary of the Group is in the advanced stages of negotiating with Scotia DBG Investments Ltd, a Jamaican affiliate, regarding the purchase of its Trinidad operations (Dehring Bunting & Golding Trinidad Limited), which should soon come to fruition.

This acquisition would bring to the group a company which is licensed as a securities company, entitled to provide investment advice and act as a securities dealer and underwriter. The Trinidad operations officially opened its doors in November 2005 and currently offers DB&G's mutual funds and multi-currency repurchase agreements (REPOS). Dehring Bunting & Golding Trinidad Limited provides a compelling alternative for individuals and institutions worldwide, by providing

them with an elite financial services portal. Dehring Bunting & Golding Trinidad Limited prides itself on having a personal touch with its clients, and team members are committed to enhancing the economic prosperity of their customers, by providing premium customer service and innovative financial solutions.

On the basis of performance to date, the Directors have resolved that the Bank pay a third interim dividend of 25 cents per ordinary share (2007 - 21 cents) on 29 September 2008 to shareholders on record as at 09 September 2008.

Richard Young
27 August 2008
R.P. Young - Managing Director

Consolidated Balance Sheet (Stated In \$'000)

	UNAUDITED As at 31 July 2008	UNAUDITED As at 31 July 2007	AUDITED As at 31 October 2007
ASSETS			
Cash on hand and in transit	\$ 90,894	\$ 101,661	\$ 100,092
Due from banks and related companies	669,101	286,348	339,658
Treasury bills	172,647	60,262	109,175
Deposits with Central Bank	1,751,821	1,224,462	1,355,154
Net Loans to customers	9,971,412	8,365,216	8,825,206
Investment securities	418,957	462,630	455,848
Investment in associate companies	7,903	5,519	7,924
Property, plant and equipment	207,546	197,360	202,087
Miscellaneous assets	134,868	162,195	160,061
TOTAL ASSETS	\$ 13,425,149	\$ 10,865,653	\$ 11,555,205
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 9,704,724	\$ 7,923,575	\$ 8,435,711
Due to banks and related companies	1,052,918	797,468	874,134
Other liabilities	145,572	122,579	153,328
Securities sold under repurchase agreement	229,042	94,046	78,546
Provision for taxation	39,356	32,966	35,565
Policyholders' funds	254,005	166,709	186,561
Debt security in issue	200,000	200,000	200,000
Deferred tax liability	19,593	23,204	21,322
TOTAL LIABILITIES	11,645,210	9,360,547	9,985,167
SHAREHOLDERS' EQUITY			
Stated capital	267,563	267,563	267,563
Statutory reserve fund	297,563	272,778	297,563
Investment revaluation reserve	2,506	4,448	3,680
Retained earnings	1,212,307	960,317	1,001,232
TOTAL SHAREHOLDERS' EQUITY	1,779,939	1,505,106	1,570,038
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 13,425,149	\$ 10,865,653	\$ 11,555,205

Consolidated Income Statement (Stated In \$'000)

	UNAUDITED Nine months ended 31 July 2008	UNAUDITED Nine months ended 31 July 2007	AUDITED Year ended 31 October 2007
NET INTEREST AND OTHER INCOME			
Net Interest Income	\$ 547,977	\$ 453,714	\$ 622,180
Other Income	194,146	144,817	212,770
Net Interest and Other Income	742,123	598,531	834,950
NON-INTEREST EXPENSES			
Salaries and staff benefits	136,780	119,306	168,750
Premises and technology	61,268	56,565	78,624
Communications and marketing	23,262	21,264	31,664
Loan loss expense	20,016	1,762	3,957
Other	77,018	50,197	75,477
Non-Interest Expenses	318,344	249,094	358,472
INCOME BEFORE TAXATION	423,779	349,437	476,478
Provision for taxation	(94,554)	(81,098)	(105,406)
INCOME AFTER TAXATION	\$ 329,225	\$ 268,339	\$ 371,072
Dividends Paid & Proposed for financial year	\$ 125,204	\$ 111,097	\$ 148,129
Dividends per share	71.0c	63.0c	84.0c
Earnings per share	186.7c	152.2c	210.4c
Return on Equity	26.26%	25.10%	25.39%
Return on Total Assets	3.52%	3.58%	3.58%
Market Value	\$ 42.50	\$ 28.50	\$ 28.55

Consolidated Statement of Changes In Shareholders' Equity

FOR THE PERIOD ENDED 31 JULY 2008 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
NINE MONTHS ENDED 31 JULY 2008					
Balance as at 31 October 2007	\$ 267,563	297,563	3,680	1,001,232	1,570,038
Changes in fair value, net of tax	-	-	(1,174)	-	(1,174)
Net profit for the period	-	-	-	329,225	329,225
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(118,150)	(118,150)
Balance as at 31 July 2008	\$ 267,563	297,563	2,506	1,212,307	1,779,939
NINE MONTHS ENDED 31 JULY 2007					
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324
Changes in fair value, net of tax	-	-	(171)	-	(171)
Net profit for the period	-	-	-	268,339	268,339
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(116,386)	(116,386)
Balance as at 31 July 2007	\$ 267,563	272,778	4,448	960,317	1,505,106
YEAR ENDED 31 OCTOBER 2007					
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324
Changes in fair value, net of tax	-	-	(939)	-	(939)
Net income for the year	-	-	-	371,072	371,072
Transfer to statutory reserve	-	24,785	-	(24,785)	-
Dividends paid	-	-	-	(153,419)	(153,419)
Balance as at 31 October 2007	\$ 267,563	297,563	3,680	1,001,232	1,570,038

Consolidated Cash Flow (Stated In \$'000)

	UNAUDITED Nine months ended 31 July 2008	UNAUDITED Nine months ended 31 July 2007	AUDITED Year ended 31 October 2007
Cash flows from operating activities			
Net income before taxes	\$ 423,779	\$ 349,437	\$ 476,478
Increase in loans	(1,146,206)	(1,382,656)	(1,842,646)
Increase in deposits	1,419,509	1,166,815	1,663,451
Taxation paid	(93,654)	(72,917)	(95,510)
Other adjustments to reconcile income before taxation to net cash from operating activities	(122,687)	82,269	84,506
Net cash from operating activities	\$ 480,741	\$ 142,948	\$ 286,279
Cash flows used in investing activities			
Decrease in investments	\$ 36,900	\$ 81,436	\$ 86,272
Purchase of property, plant & equipment	(16,917)	(22,098)	(33,070)
Proceeds from disposal of property, plant & equipment	1,143	708	1,199
Net cash from investing activities	\$ 21,126	\$ 60,046	\$ 54,401
Cash flows used in financing activities			
Dividends paid	\$ (118,150)	\$ (116,387)	\$ (153,419)
Net cash used in financing activities	\$ (118,150)	\$ (116,387)	\$ (153,419)
Increase in cash and cash equivalents	\$ 383,717	\$ 86,607	\$ 187,261
Cash and cash equivalents, beginning of period	548,925	361,664	361,664
Cash and cash equivalents, end of period	\$ 932,642	\$ 448,271	\$ 548,925
Cash and cash equivalents			
Cash on hand and in transit	\$ 90,894	\$ 101,661	\$ 100,092
Due from banks and related companies	669,101	286,348	339,658
Treasury bills	172,647	60,262	109,175
Cash and cash equivalents	\$ 932,642	\$ 448,271	\$ 548,925

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 31 October 2007.