



**ADDRESS TO BE DELIVERED BY
RICHARD P. YOUNG, MANAGING DIRECTOR
SCOTIABANK TRINIDAD AND TOBAGO LIMITED
THE 39th ANNUAL MEETING OF SHAREHOLDERS
HILTON TRINIDAD AND CONFERENCE CENTRE**

February 27th 2009

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

Fellow Board Members;

Senior Management of Scotiabank Trinidad and Tobago Limited;

Distinguished Shareholders of Scotiabank Trinidad and Tobago Limited;

Members of the media;

A pleasant good morning

Once again, I am pleased to report to you, our shareholders, today at our 39th Annual Meeting of Shareholders of Scotiabank Trinidad and Tobago Limited for the year ended October 31st 2008.

2008 was yet another year of consistent performance, as we focused on expanding our business lines, strengthening our position in the marketplace

as an “Employer of Choice” and operating in a responsible manner through our implementation of the Bank’s corporate social responsibility policies.

Ladies and Gentlemen, I always tend to begin our Annual Meeting by reiterating Scotiabank’s core purpose and today shall be no different. Our core purpose of “being the best at helping customers become financially better off by providing relevant solutions to their unique needs” is in fact what drives us to constantly seek new ways to:

- Create value for our shareholders;
- Increase operational efficiencies;
- Develop systems which enhance the customer experience;
- And identify opportunities for expanding and deepening customer relationships.

We are able to achieve this because we are fueled by the power of our people. Knowledge-based, service-driven and I am proud to say, the best in the industry –our people are the foundation upon which we are able to drive sustained and profitable growth and deliver on our key strategic initiatives. As you can see from the slide, these strategic initiatives are our Sales and Service disciplines, the development of our complementary businesses, our efficiency platform and where opportunity arises, acquisitions. These strategic initiatives are the pillars in a “house”, which is designed to provide a solid foundation and support our customers.

You may know that at Scotiabank, our daily actions tell the story of our compelling One Team One Goal Philosophy and the manner in which we

operate is often referred to as “The Scotia Way”. What do I mean by this? Simply put, we stay true to the following belief system:

- The Customer comes first
- Team is everything
- We empower our people
- We are proud to serve our communities

I don't think I am being overly emphatic when I say that our people are at the core of our success and we do our utmost through the implementation of our human resource strategies to treat them equitably and provide them with opportunities for professional growth. Furthermore, creating a safe and healthy environment is always top of mind for us. It appears that our efforts in this area are indeed bearing fruit, since the Bank was recognized on no less than three occasions in 2008 for our work with respect to our employee relations.

It was just over two years ago that we introduced a dedicated staff member to oversee our adherence to requirements based on the Occupational Safety and Health Act and to date, we can proudly state that we have achieved so much in a relatively short space of time. Consequently, we were pleased to be among the top five finalists at the National Safety Awards hosted by the National Safety Council in April 2008. The nomination was based on the Bank's comprehensive and focused approach to adopting and implementing safety and health management systems and practices.

Then, in June 2008, we copped the Champion Employer of Choice Award 2007 (Large Category), when the Employers' Consultative Association held the first award ceremony of its kind in this very Ballroom at the Hilton Trinidad. We were among 25 companies competing for the Award in this particular category, which was judged based on the implementation of management systems and policies governing Human Resources, Industrial Relations, Occupational Health and Safety, Corporate Social Responsibility and Employment Creation.

In the third instance, we solidified this position as Employer of Choice in September 2008, when we once again received recognition from the South Trinidad Chamber of Industry and Commerce as being among the top three companies for Corporate Social Responsibility – in the category “Recognising the Value of People.” Might I add that we were the only financial institution to be recognized at this forum in terms of ranking among the top three companies.

Ladies and gentlemen, in reviewing 2008, I would like to state that the Bank refined its strategic outlook around the premise that the “Customer is Boss.” It has been our intention to improve customer convenience and access to our services and by extension, to grow our footprint in the financial landscape. To achieve this, we took a segmentation approach to marketing by introducing several new business lines and initiatives in the last year.

In April 2008, we launched the Scotiabank Be product, targeted towards young working adults between the ages of 18-30, as well as part-time and full-time students. It offers a high interest-yielding deposit account,

attractive discounts at merchants throughout Trinidad and Tobago and access to an online social networking site www.Scotiabankbe.com.

Then, June 2008 saw the official launch of our Small Business Banking suite of products, targeted towards sole proprietors, partnerships, incorporated companies and non-salaried professionals who may have their own practices, for examples, lawyers and doctors. The products offered include Savings Accounts, Chequing facilities, Cash Management System Overdraft Protection, Credit Lines, Term Loans and Credit Cards. It is our belief here at Scotiabank, that our small business owners are significant contributors to our economy, creating employment and providing a cushion against external shocks.

Subsequent to the Small Business launch, in November 2008, we entered the wealth management arena, by introducing the Scotia Private Client Group. This team focuses on offering high net worth clientele specialized and tailored wealth management solutions. Coupled with this was the acquisition of Dehring, Bunting & Golding Trinidad Limited, which offers securities brokerage services. Rebranded as Scotia Investments Trinidad and Tobago Limited, this highly specialized financial advisory team follows a practical and proven approach to reviewing one's life cycle and developing an investment strategy that meets the unique needs of the consumer. We also took the opportunity to restructure our Merchant Banking Unit, which offers underwriting, syndication, structured finance, advisory services and derivative strategies to our customers.

The performance of our complementary business initiatives has been in line with expectations and we believe, given the momentum that we see in these areas, that our decision to enter what some might consider highly competitive markets, was well founded. Since the retooling of our Merchant Banking Unit, the team has raised in excess of TT\$1.1 billion in the local and regional debt market and as of now has mandates in hand to raise an additional TT\$1.8 billion.

Going forward we see significant opportunities in the investment banking arena and we believe, based on our in house capability and Scotiabank's culture of prudence in risk taking, that we are well positioned to provide our clients with the innovative well structured solutions that they seek.

Our credit card portfolio has also been expanded as we introduced the Aero Platinum Visa, offering exclusive access to travel freedom and purchasing power, elite travel rewards and comprehensive travel protection. Another addition was the co-branded Scotiabank PriceSmart Diamond Credit Card, which allows PriceSmart members to earn up to 3% cash back on all purchases at PriceSmart, and 1% cash back on all purchases at other merchants locally and abroad. In addition, the cardholder enjoys other benefits, which include MasterTravel Insurance, MasterRental Travel Assistance when traveling abroad.

We also have major process improvements to report on, specifically the introduction of signature card imaging, our triple des upgrade and enhanced security procedures in internet banking. By signature card imaging, I am referring to our newly developed capability of having all customers'

signature cards accessible electronically. A major benefit of this is the ability of customers to negotiate Scotiabank cheques at any Scotiabank branch without any hassle and of course, it is paving the way for us to strengthen our paperless banking efforts.

The triple des upgrade is a direct reference to our automated teller machine system. This upgrade provides the customer with an added safeguard against identity theft or falling victim to ATM fraud, particularly via the Lebanese loop scam method.

We have also beefed up security on our internet banking facility through our deployment of Multi Factor Authentication. This is a new login procedure for internet bankers, which provides an added layer of enhanced security and will protect the bank and its customers from fraud. Simply put, each internet banking user will have to complete secret question and answer pairs before they can access their accounts. Users also have the option to enroll their machine, which will bypass the Multi Factor Authentication questions when they login from that particular machine.

In short, we have working extremely hard to ensure that Scotiabank cements its position in the local market as a solid, customer-oriented, efficient institution.

It is in this context that I am pleased to report that as at October 31, 2008, Scotiabank enjoyed its 16th consecutive year of record profitability. Taking a look at our Financials, our consolidated profits after tax stood at \$431.8 million, an increase of 16.4% year over year. In fact, our 10 year

compounded annual growth rate came in at 15.24%, demonstrating that the Bank is maintaining its position in the marketplace as being a solid performer.

Turning now to Net Interest Income, an increase of 18.9% was realized, bringing it to \$740 million, compared with \$622.2 million in 2007. This, despite operating in a highly competitive and challenging environment, characterized by tightening liquidity. This growth in Net Interest Income was driven by an increase in our loan portfolio, as Net Loans to Customers increased by 18.7% in 2008, resulting in interest income from loans showing a 23.1% growth.

Non-interest income on the other hand stood at \$253.2 million, an increase of 19% year over year. The composition of this non-interest income included Fees, Commissions, Foreign Exchange Earnings and Net Premium Income derived from our subsidiary ScotiaLife Trinidad and Tobago Limited. I might add here that ScotiaLife's contribution to our success should not be overlooked, as through their after-tax profit of \$36.4 million, this subsidiary in fact contributed to 8.4% of the Group's profits. Furthermore, their asset base continues to grow from strength to strength, coming in at \$419.2 million as at October 31, 2008 compared with \$293.2 million at 2007 year end. A commendable achievement indeed!

Let's turn our attention now to the Balance Sheet of the Scotiabank Group. Consolidated Assets stood at \$14.3 billion, an increase of \$2.7 billion or 24% growth year over year. This resulted from aggressive growth in the

Bank's loan portfolio, which increased by 18.7% to \$10 billion – a significant achievement.

This next slide provides a breakdown of the Group Concentration of Credit and this is well spread over a diversity of both retail and commercial loans. As you can see, mortgages and consumer loans are the main contributors and our portfolio continues to be diversified, with the energy sector, construction, transport, distribution and business service accounting for the rest of the pie.

While the Scotiabank Group continued to adhere to its prudent loan loss provisioning policies, our loan loss expense increased slightly in 2008. However, to offer some perspective on this area, when we observe industry loan loss statistics, it is apparent that the Scotiabank Group compares favorably in this regard.

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 3.34% for 2008, well above the industry average of 2.8%.

On the basis of performance to date, the total dividend paid to shareholders is 96 cents – up by 12 cents when compared with 2007.

Our next slide shows earnings per share for the period, which was 244.9 cents, compared with 210.7 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 25.38%, well above the industry average of 21.96%.

Ladies and Gentlemen, as we continue to seek opportunities to create long-term value for our shareholders, our performance measure ratios are of course a point of focus for us. This next slide shows various performance measure ratios sorted by Bank, and it is clear that the Scotiabank Group is in good standing in the local financial industry. Notably, for 2008 we are leading in 3 of these performance ratios, namely return on assets, return on equity and our productivity ratio.

Turning to the value of Scotiabank's shares over the last year, shareholders would have observed that the share price of Scotiabank Trinidad and Tobago Limited, which increased by 7% from \$28.55 on October 31st 2007 to \$31.00 on October 31st 2008. This once again demonstrated the Bank's solid position in the financial industry and the market's confidence in the underlying value of your shareholding in Scotiabank.

Today one Scotiabank share is valued at \$27.01 (*needs to be updated on the day of the meeting*)

Moving on to Market Price Capitalization. Market price capitalization - defined as the value of a corporation determined by the market price of its issued and outstanding common stock - stood at \$5.5 billion as at October 31st 2008.

Furthermore, aggregate return to shareholders over the past seven years to October 31, 2008 was 20.4% per annum, which include dividends and appreciation in the price of ordinary shares. This brings us to the end of the financial presentation.

Corporate Social Responsibility continues to be an area of special interest to the Bank and as such, you may have observed a separate section of our Annual Report highlighting our efforts in this area. We have been striving to impact positively on the communities in which we operate, through financial donations, employee volunteerism and with the introduction of our Scotiabank Trinidad and Tobago Foundation, which was legally established in February of last year.

The setting up of this Foundation is a tangible indication of our commitment to our corporate social responsibility. And just to provide an explanation of its focus, its resources will be dedicated to:

- **The Scotiabank Bright Future Program** – This is the Bank’s philanthropic initiative, which aims to provide opportunities for children in our society and allows us to be more strategic and focused in our charitable efforts.
- **The Scotiabank Women Against Breast Cancer Programme** – This cause will remain dear to Scotiabank, as we continue our efforts to raise awareness of the importance of early detection in the fight against breast cancer and to provide free screening, ultrasound and mammograms to women all over Trinidad and Tobago. I am extremely proud to report to you today that since inception, just over

9,600 women have undergone screening through our Scotiabank Women Against Breast Cancer Programme, while over 5,700 have accessed our mammogram and ultrasound services.

- **Sport and Culture** – The Foundation will continue to support the Bank’s role as a Gold Sponsor of the Trinidad and Tobago Music Festival, which is indeed a training ground for many of our young, talented musicians. We will also maintain our support of the steelband fraternity and Kiddy Cricket initiatives, which serve to teach our children the rudiments of the game of cricket – a game which is so profoundly part of our West Indian heritage.
- **General Philanthropy** – Finally, the Foundation will be reviewing all incoming requests for donations and sponsorships, which the Bank receives from non-governmental organizations, schools, and clubs on a daily basis.

In summing up, we have a great deal to be proud of when we review our accomplishments in 2008. 2009, no doubt, will be a challenging year for all organizations in Trinidad and Tobago, as we seek to maintain our momentum in spite of the global financial turmoil.

The recent developments in our local financial industry are testament to the fact that we are not immune to the high levels of volatility being experienced in financial markets worldwide. I wish to emphasize though, that the Scotiabank Team is committed to delivering shareholder value and our robust culture of risk and expense management has in fact put us in a stronger position today. I am confident therefore that we can overcome this challenging time, and to achieve this we will focus on strategies to grow our

revenue, identify opportunities to contain costs, maintain our momentum in the development of our leadership competencies and above all, manage our risks prudently and effectively.

I would like to take this opportunity to reassure you that the Scotiabank Group remains in good financial health. As you know, our Canadian ties put us in somewhat of a fortunate position, due to the fact that the Canadian financial industry is among the strongest and most developed in the world. Our parent company has a solid capital base – one of the best by worldwide standards – that provides us with a strong cushion against economic turbulence. In fact, according to the State of the Financial Services Industry Report 2009, prepared by the international management consulting firm Oliver Wyman, Scotiabank ranked among the top ten performing Banks in the world during the recent credit crisis.

On the local front, we will continue to focus on selectively expanding the products and services where there is opportunity for high growth, and stand ready to share our best practices to ensure the stability of our local financial sector if we are called upon to do so.

I thank you for your attention.