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MEDIA RELEASE

SCOTIABANK CONTINUES TO WEATHER THE SLOWDOWN.

The Bank completed its third fiscal quarter at the end of July 2009 with profit after tax of \$330 million, an increase of 0.23% over the prior year.

The continuing slowdown in the local economy is affecting our loan portfolio. The Bank is therefore being prudent by increasing its provision for impaired loans. Hence this quarter, further Loan Loss expenses were accounted for, pushing the total to \$59.7 million as at July 31st, 2009.

The Customer Assistance Program (CAP) has been created to offer customer centric solutions to those who are currently experiencing a loss or reduction in income. A number of possible solutions are available which includes refinancing and rescheduling; interest only payments or payment moratoriums; or fixed payment plans. While this situation is unprecedented, this approach reinforces the Bank's reputation as an international bank, with a long-standing commitment to the local community and our customers' long term financial well being.

Earnings per share measured 187.1 cents, which translated into Shareholders' rewarded with dividends of 25 cents per share for the three months to July 31st, 2009. This brought total dividends for the year to 75 cents per share.

Performance ratios continue to show a year over year decline, as waning profitability coupled with higher asset growth has been a negative factor.

Return on Equity dropped from 26.26% to 22.66% while the Bank's Return on Assets measured 2.84% compared to 3.52% a year earlier.

REVENUES

Net Interest Income for the period under review totalled \$608.3 million. This represented an 11% growth when compared to the \$547.9 million netted in 2008. Other Income also showed growth of 8.9% from \$194.1 million to \$211.5 million.

Overall, the Group's Net Interest and other income earned for the nine months to July 31st, 2009 was \$819.8 million, a commendable 10.5% when compared to the same period in 2008.

NON-INTEREST EXPENSES

Non Interest Expenses (NIE) climbed to \$395.7 million, which was 19.5% higher than the prior year. NIE exclusive of loan loss expense was \$335.9 million and showed a more modest increase at 12.6%, which represents core operational expenditure.

Loan Loss expenses as at July 31st, 2009 was \$59.7 million. This represented a year over year growth of \$39.7 million which related to the general loan portfolio. Loan losses as a percentage of the total loan portfolio represented 0.58% which is higher than the 0.20% in the same period in 2008.

The increased Loan losses are due to the generally slow economic conditions, which have resulted in lower consumer spending and a contraction in the labour market, which has directly affected the income of many households. As stated earlier, Scotiabank is committed to helping its customers through this period.

Management further remains assured that Loan Loss expense remains within acceptable levels, given the current environment and the Bank's prudent credit policies which are embedded into our operating culture will ensure that these risks are mitigated.

BALANCE SHEET

For the nine months ended July 31st, 2009 Total Assets grew by 24.9% or \$3.3 billion closing the third quarter of 2009 at \$16.8 billion.

Asset classes which carried notable increases were Investment Securities which had the largest year over year increase of \$909.1 million or 217%, Treasury Bills which increased by \$483.2 million and Deposits with Central Bank which increased by \$734.5 million. This is a consequence of excess liquidity as borrowing has slowed and the Bank increased its investments to make use of its cash.

In the period Net loans to customers grew by 3.4% or \$343.8 million, which is still acceptable in light of overall flat demand.

Total Liabilities for the period measured \$14.7 billion, a commendable growth of 26.3% or \$3.1 billion.

Deposits grew by 22% to \$11.9 billion, which generated \$2.2 billion in funding for the Bank's operations. Debt Securities in issue as at July 31st, 2009 was \$1.0 billion, which grew by \$800 million over the comparative period representative of the Bank's last bond issue done in August 2008. These were the major areas that pushed the Bank's liabilities to \$14.7 billion to July 31st 2009.

SHAREHOLDERS' EQUITY

The Group continued to strengthen Shareholders' Equity through increased retained earnings as Total shareholders' equity grew to \$2.1 billion, 15.6% or \$278.1 million higher than the same period in 2008.

The Bank's capital adequacy ratio measured 18.6% as at June 30th, 2009 which continues to be well above the minimum capital adequacy ratio of 8% specified by regulators and is consistent with international standards.

LIQUIDITY MANAGEMENT

The Bank continued to maintain high liquidity reserves with Cash and cash equivalents amounting to \$2.2 billion as at July 31st, 2009. This, in addition to Deposits of \$2.5 billion with the Central Bank, places Scotiabank in a strong liquid position.

CORPORATE SOCIAL RESPONSIBILITY

In the last quarter, Scotiabank focused much of its Corporate Social Responsibility efforts on its Bright Future Program®, a corporate giving and communication programme that supports opportunities for children and communities throughout Trinidad and Tobago. Under the umbrella of the Scotiabank Trinidad and Tobago Foundation, the Bank donated more than \$50,000 in bursaries to students of the University of the West Indies, St. Augustine. Recipients of the Scotiabank Trinidad and Tobago bursaries were required to be in good academic standing and pursuing undergraduate degrees in Management Studies, Finance or Computer Studies.

Staff members of the Penal Branch also embarked on a library development project at the Lady Hochoy School in Penal, volunteering their time and effort to visit regularly the school, walking with their paint brushes to ensure that the library's walls were in top condition. Reading material, bookshelves, desks and chairs were also procured as part of the project.

The Marabella Branch undertook a computer literacy project with Operation Smile, a home for more than 39 abandoned children. The Bank's employees have been making regular visits to the Home, most recently donating computers to kick off the computer literacy project. They have also pledged to continue their visits on a weekly basis to assist in tutoring the children in using the computers.

The Rio Claro Branch of Scotiabank Trinidad and Tobago Limited has joined forces with the Nariva/Mayaro Unit of 4H International in an effort to encourage positive behaviour among young people in the area. The 4H International Club is based on a worldwide youth programme for persons between the ages of 7-25 years and focuses on imparting lifelong skills to its members in the areas of craft, gardening, farming, food and nutrition. Skills sets are developed through the promotion of educational, economic, social and recreational activities, which are designed to assist young people in becoming better citizens.

The staff members of Scotiabank's Rio Claro Branch have been investing their time over the last 8 months, assisting over 10 participating primary schools in the area, by educating students in the basics of growing seedlings and food crop production using traditional grow box methods and the more developed hydroponics method of growing plants using mineral nutrients, without soil. This initiative has benefited the children through hands on experience in agricultural practices.

Scotiabank is committed to supporting the communities in which we live and work, both locally and abroad. Recognized as a leader internationally and among Canadian corporations for its charitable donations and philanthropic activities, in 2008 the Bank provided about US\$43 million globally in sponsorships and donations to a variety of projects and initiatives, primarily in the areas of healthcare, education, social services and arts and culture. Scotiabank's Bright Future Program is on the World Wide Web at www.scotiabankbrightfuture.com.

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