

MEDIA RELEASE

Scotiabank produces bumper quarter

Scotiabank Trinidad and Tobago Limited and its Subsidiaries today reported record after tax profits of \$73.2 million for the quarter ended January 31, 2006, an increase of 36 % over the comparative period one year ago.

Earnings Per Share (EPS) for the period was 62.3 cents, compared to 45.7 cents over the similar period last year. Return on Average Equity (ROE) for the period was 24.52% and the Productivity Ratio of 40.19% remains one of the strongest in the Sector.

The Board of Directors has resolved that the Bank pay a first interim dividend of 23 cents per ordinary share payable on April 5, 2006 to shareholders on record at March 16, 2006.

Three month highlights compared to the same period a year ago

- *Net income of \$73.2 million, up \$19.5 million or 36.4%*
- *Simultaneously, Earnings per share of 62.3 cents, up 36.4% from 45.7 cents*
- *Dividends per share 23 cents, up 21.1% from 19 cents*
- *Return on Assets 3.28%%, compared to 2.81%*
- *Return on Equity 24.52%, compared to 20.36%.*
- *Productivity Ratio of 40.2%, compared to 45.8%*
- *Share Price of \$39.80 as at quarter end, compared to \$32.10, an increase of 24%*

This is the end of the release and the following is additional commentary for amplification.

REVENUES

Total revenue, comprising net interest income and other revenue, was \$163.9 million, an increase of 17.7% or \$24.6 million over the comparative period for last year.

NET INTEREST INCOME

Net Interest Income was \$121.2 million, an increase of 22.2% or \$22 million over the comparative period one year ago and is attributed to strong loan growth coupled with focused treasury management.

OTHER REVENUE

Other Revenue, which includes commissions and fees, was recorded at \$42.7 million, which was a 6.5% increase over last year.

NON-INTEREST EXPENSES

Scotiabank's productivity ratio continues to be among the leaders in the banking industry, as we continue to derive benefits, both in terms of enhanced customer service and increased productivity, from our ongoing technology initiatives. The productivity ratio (non-interest expense as a percentage of total revenue), a key measure of cost effectiveness, was 40.19%.

BALANCE SHEET

Total assets, as at January 31, 2006, were \$9 billion, an increase of \$1.3 billion or 17.5% over the same period last year. Cash Resources decreased marginally by \$23 million due primarily to a decrease in surplus funds placed on the inter-bank market. This was partially offset with an increase in funds held with the Central Bank due to a new deposit requirement introduced for commercial banks during the quarter. Net loans outstanding have increased by \$1.2 billion or 23% due to equally strong growth in the areas for consumer, commercial and corporate lending. Investments have increased by \$45.8 million or 8.3%, over the previous period last year, while Deposits are recorded at \$6.2 billion, a 10.7% increase over the same period.

CAPITAL

The Group continued to strengthen its capital through growth in earnings. Total shareholders' equity grew to \$1.2 billion, 13.7% or \$146 million higher than the previous year.

A capital adequacy ratio of 8%, for Trinidad and Tobago banks, has been set by the Central Bank of Trinidad and Tobago, and is consistent with international standards. The Bank's capital adequacy ratio stood at 18.54% as at January 31, 2006 (2005: 18.71%).

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