Good afternoon ladies and gentlemen.

First, let me thank you for joining us today to examine your company’s performance over the past year. We will also share some insights into the strategies that will serve to move us forward, so that you may have a truly comprehensive view of the company.

I would like to use this occasion to offer congratulations to, and to register our appreciation of Ms Anya Schnoor, a remarkable leader who has served our company well. Anya’s dynamic and perceptive leadership guided the company through some difficult times, especially the past two years. On behalf of all the stakeholders of SIJL, I want to thank Ms Schnoor and wish her the very best in her new role in the Scotia Group.

I am honoured to now lead the firm and I am also honoured by the trust demonstrated by the Board of Directors and by you, our shareholders. Over the years I have developed a profound understanding of the kind of leadership required for our company. Our course is firmly set with the main strategic imperative of growing profitably from off balance sheet activities. No doubt there will be some difficulties ahead, but I am supported by an exceptional team of professionals; and with the guidance of our board of directors, we will make even greater strides on our mandate of building superior long-term stakeholder value.

**Economic Review**

Let me begin with a review of the economic environment that was the backdrop of our performance in financial year 2010/11. Following several quarters of economic decline, the Jamaican economy returned to growth in 2011. The economy grew by 1.5% for the nine-month period ending September 2011, following a decline of 1.7% over the same period in 2010. From all indications, economic growth should continue into 2012, albeit at a rate slower than 2011.

Interest rates declined over the year, however, other macroeconomic variables like the exchange rate, behaved relatively well for the review period.

Going forward, a confluence of factors, both local and international, will serve to create a challenging economic environment. Globally, the ongoing debt crisis in Europe, Greece in particular, is creating significant headwinds for countries like Jamaica. The perceived riskiness of Greek debt, as measured by the yield premium over a similar term German bond, has skyrocketed in recent months. This is generating anxiety among other members of the Eurozone, which could ultimately lead to a full-blown debt crisis with the associated ripple effects on countries like Jamaica.
ECONOMIC OVERVIEW
Locally, the near term signs for economic growth in the country are not very encouraging. Our own Scotia Investments leading economic indicator index—which predicts the economic direction—shows that growth is expected to slow over the next couple of quarters. This, coupled with the fact that the government will be cutting expenditure, means that we could be faced with a challenging economic environment in the near term.

MARKET CHALLENGES
Before I review our performance for the financial year, I want to summarize some of the market conditions for 2011 to give greater context for our performance. Among the more important challenges we faced were:

1. Sovereign balance sheet risks in Europe
2. Widening fiscal deficit which led to an increase in investor risk aversion for some local assets
3. Record low interest rates
4. Market uncertainty about the IMF deal with Jamaica

Performance Background
Falling local interest rates led to tighter repo spreads. There was also a reduction in investor appetite for some asset types including GOJ global bonds. Our performance was also impacted by our long-term strategic objectives of a fairly flat balance sheet growth and a ramping up of our off balance sheet activities.

2011 FINANCIAL PERFORMANCE
Let me now summarize the financial performance for year ending October 2011.

In line with our stated objective, net interest income for the year declined by 9% over the amount recorded for the year ending 2010.

I am especially pleased that non-interest revenue grew at a very aggressive pace of 52%, again in line with our long-term objective to grow this area of our business.

Operating expenses increased 3% for the year, which represents a real decline given that inflation was 6% for the period.

Overall we grew revenues at a slightly faster pace than expenses, resulting in a positive operating leverage of 1% for the year.

Operating profit was up 5% over last year, notwithstanding our decision to reduce our reliance on net interest income.

Net profit for the year grew 33% over last year, largely reflecting the lower effective tax rate for 2011 vs. 2010.
FUNDS UNDER MANAGEMENT

Now, let’s look at some of the highlights for the period: FUM saw growth of 13% for the year.

NET PROFIT

As indicated, we had good growth in net profit for the period.

NET INTEREST INCOME

Net interest revenue fell in line with our strategy of reducing the reliance on this income line.

STOCKHOLDER’S EQUITY

The higher profitability level in 2011 contributed to a strong growth of 19% in shareholder equity.

INCOME CONFIGURATION

Of importance, the proportion of revenue accounted for by NII fell from 82% in 2010 to 73% for 2011.

SIJL INCOME CONFIGURATION

Our overall objective is to reduce our reliance on net interest income over time. We made significant progress in this regard in 2011 with the strong growth in off balance sheet revenues.

EFFICIENCY RATIO

Our efficiency ratio as measured by the ratio of operating expenses to total revenues continues to move in the right direction. 68 cents of each dollar earned in 2011 flowed to stockholders, an improvement over last year’s 67 cents.

OFF BALANCE SHEET UPDATE

Strategy in Motion

I want to speak more about our off balance sheet push and the progress we have made in this area. As indicated here, the off balance sheet business is now the larger portion of the business in terms of AUM.

SCOTIA ASSET MANAGEMENT

SAMJ continues to perform extremely well. It was another record year on several levels:

Operating Income increased year over year; AUM grew by 64% to J$20 billion and we grew our Unit Trust market share to 65%. Of note, we now have the largest fixed income and equity funds in the market. The Scotia Caribbean Income Fund continues to perform well with AUM now topping US$ 60 million.

We also launched what is arguably the only true money market fund in the market today, Scotia Premium Money Market Fund. We are very excited about the unique value this product offers to our clients in that
it provides a steady stream of income; there is a great deal of flexibility with no charges or penalties on withdrawals, and it offers more liquidity than a repo.

**TRADING REVENUE 2011**

2011 was a good year for our Trading team; overall revenues from this business line increased by 51% to J$410 million dollars. A number of strategic initiatives are being executed in this Business Unit with a view to continuing to increase the revenue generated here.

**CAPITAL MARKET**

Our Capital Market division is the newest business line and already I am delighted by the unit’s achievements. Berisford Grey has done tremendous work to establish the business line within the Group while building a healthy pipeline of potential deals. I am happy to say that we have started the year with tremendous momentum having completed over US$300 million in deal flow, working in tandem with our partners in the Bank. We will of course continue to leverage global resources of the Scotia Group in delivering world-class solutions to our customers.

**RETAIL BROKERAGE**

Over the year, Retail Brokerage, (our Sales and Service team), continued to innovate and execute a number of strategic initiatives. Scotia Investments has an Advisory Approach to client interaction; this approach requires a strong focus on training and team member orientation. A number of these training programs were executed over last year.

We relocated our Mandeville branch to the Mandeville Wealth Centre, so our clients are now very comfortably accommodated when they do business with us. We also continued with our drive to build client feedback through our Scotia Wealth Survey.

**CORPORATE OUTREACH**

I want to reiterate the importance your company places on giving back to the society. We are a part of the Jamaican experience. Our focus has largely been on youth and community development and I am very happy about the impact we made last year. We will continue to make meaningful contributions in this area.

**STRATEGIC DIRECTION**

At our AGM last year we defined the realigned Scotia Investments: your company consists of four major pillars or business segments supported by a solid team of professionals.

This demarcation makes it clear to everyone what we strive to achieve and the business activities in which we will be engaged.

As is true of all business models, superior performance comes from doing a number of things well, namely:

a. Crafting a robust long term strategy that differentiates the organization from its competitors
b. Building a solid team of talented professionals
I am confident that we have all the ingredients for this formula for success.

### 2012 Q1 Financial Performance

I am pleased to report that we had a fairly satisfactory first quarter. Our performance is on plan or exceeding plan in many aspects.

NIR grew by a phenomenal 39% during the quarter as a direct result of the strategic growth in off-balance sheet assets. Concomitant with our strategic shift of the portfolio, we are slowly diversifying our revenue mix and therefore our interest income declined 6% over the corresponding quarter. Operating expenses grew 10% in the quarter, driven primarily by higher expenses associated with our on-going system conversion project, as well as increased advertising cost, as we ramp up the marketing around our product lines. Overall net profit was up 7% over last year.

I take great confidence from the team’s performance in the quarter, given the market challenges impacting our clients and also from the fact that we still have a number of revenue initiatives to be rolled out that will drive us going forward.

### A Focus on People

I would like to share some key aspects of our broad strategic framework going forward.

We will continue our efforts to attract and retain the best people in the market. A number of important initiatives will be rolled out in coming quarters to cement this objective.

### Customer Experience

Our clients are the reason for our existence; we are passionate about excellent customer experiences and providing good value to our clients when they do business with us. We have worked long and hard to ensure we have developed the right approach that will increase customer intimacy. We have a number of clients and shareholders who continue to provide us feedback, highlighting areas where they expect us to improve. I see some of you here and I must thank you for your consistent feedback. I want to assure you that we have been and will continue to pay special attention to the various suggestions and recommendations.

### Operational Efficiency

Operational efficiency is not just a buzzword for us; it goes to the heart of driving shareholder value. Our long-term goal is to improve on our efficiency ratio of 32% so that more of our earnings will flow to the benefit of our stakeholders.

### SUMMARY REVENUE INITIATIVES

Your company has chosen an off balance sheet strategy to drive revenue growth going forward, with lower overall risk levels. We have done well so far in our goal to have a more diversified revenue mix. Our Asset Management Unit continues to perform well with an exceptional suite of products. A number of product development initiatives are underway to ensure we maintain our dominance in this area.
As indicated, the goal is to significantly boost revenues in our Trading Business. We have made strategic hires in the Unit and have moved to broaden the range of assets our clients can trade with us.

Our Capital Market business is off to a great start this year. We are going to get even stronger given the background work we are doing to cement this business within the company. I am confident that this will be one of the major drivers of profitability going forward.

Given the range of services and products we are developing, we are moving to ensure our Sales and Service team is adequately equipped to serve our clients.

**Closing Remarks**

Ladies and Gentlemen, I have reiterated our broad strategic framework to deliver sustainable shareholder value. The management team continues to focus on the ways in which we will differentiate ourselves from the competition. I am confident that our strategy is robust and that it prepares us well for the future. As with any good plan, success is only achieved once the various initiatives have been timely and effectively executed. I am committed to leading the great team at SIJL to execute the various aspects of our strategic plan for the benefit of all our stakeholders.

THANK YOU.