

FIRST DRAFT

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CHAIRMAN SCOTIABANK JAMAICA
SCOTIA GROUP ANNUAL GENERAL MEETING
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Introductory Remarks

Good morning ladies and gentlemen. It's good to be with you this morning.

As you know, this will be my final time addressing you as the Chairman of your Bank here in Jamaica as I have assumed new responsibilities with Scotiabank and will not be standing for re-election.

It has been a pleasure to serve as Chairman for the past few years and I leave with many fond memories.

I'd like to thank all of our shareholders for your continued support, and for your loyalty this past year and over many years.

In a few minutes, Bruce and Jacqueline will provide you with details regarding the performance of Scotiabank Jamaica in 2012. Before that, I would like to share a few thoughts with you.

Scotiabank is very proud of our operations here in Jamaica, which are a very important part of our Caribbean and international network.

As you know, we've been here since 1889, and have grown and thrived in this great country.

Our ongoing success here is a reflection of the long-term strength and stability of Scotiabank's global operations, which now include a diversified network of more than 80,000 employees in over 55 countries.

In 2012, the Bank continued its very strong record of safety and trust, something we take great pride in, particularly given the ongoing economic challenges.

Building on that strong foundation, Scotiabank Jamaica once again achieved good results and solid returns for shareholders notwithstanding a difficult operating environment.

I'd like to thank our team of more than 2200 employees here in Jamaica, led ably by Bruce Bowen. Thanks for your commitment to our customers and your contributions to Scotiabank's strong performance.

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Looking ahead, while the global economy continues to face obstacles, there are some positive developments to build upon that point to brighter days ahead for the Caribbean region.

Most importantly for Scotiabank's customers, employees and shareholders, is that our Bank is strong, stable, committed to the Caribbean region and well positioned for continued long term success.

I'll briefly touch on the economic picture.

The Caribbean economy continues to be affected by ongoing weakness in both the US and Europe, including the threat of a "triple dip" recession in the United Kingdom.

On the bright side, a growing number of positive indicators continue to emerge in the United States and we are seeing growth slowly accelerate.

Strengthening employment conditions — a function of revitalized manufacturing and energy production — are unleashing pent-up consumer demand and underpinning a rebound in the all-important housing sector and related activity. We are also seeing strength in US equity markets.

The euro zone, on the other hand, remains in recession, but the acute dangers facing the region a year ago have subsided and today it rests on more stable footing.

Sovereign debt borrowing costs are down from their highest levels and progress is being made on addressing the structural budgetary and competitive deficiencies in many of the most affected countries.

While there is still a ways to go both in the US and Europe, overall things are moving in the right direction, which is welcome news in the Caribbean. Jamaica should benefit from a better global backdrop as the country implements a number of structural economic reforms.

The structural reforms underway in Jamaica will present a challenging operating environment in the near term as the economy adjusts. These reforms are targeted at reducing the national debt and improving the competitiveness of the economy. The expectation is that the Jamaican government and the IMF will have an Extended Fund Facility (EFF), which will serve as an anchor for the structural reform program.

[last minute update on debt exchange may be needed here]

Safety, Trust and Commitment

While we are paying very close attention to the current economic challenges, Scotiabank's commitment to this country and this region has never depended on the prevailing economic conditions.

For well over a century in the Caribbean, we have established a level of trust based on our unmatched commitment to the region and our consistent strong performance.

Our focus has always been – and continues to be – on our customers. Trust is the foundation of any banking relationship and it's very important to us that our customers see us as a safe place to keep their money and to help them reach their financial goals.

Here in the Caribbean we have always been seen as a safe bank, and that hasn't changed. There's no greater evidence of this than the fact that we are growing deposits at record rates.

While we are very much a local bank with deep roots and a strong community presence in Jamaica, we benefit greatly from being part of a large, global organization with a strong track record of performance and an excellent reputation.

Scotiabank is routinely rated among the safest banks in the world. Last year Global Finance magazine put us in the top 12 globally and number two in North America in terms of safety and trust.

Our capital and liquidity levels remain very strong. Our balance sheet is in very good shape and we are fully compliant and fully transitioned to Basel III capital requirements.

In recognition of our stability and performance, in 2012 Scotiabank was named Global Bank of the Year by The Banker magazine, which is a Financial Times publication. We were also proud to be named Bank of the Year in the Americas, Canada, Antigua, Barbados, Belize, Turks and Caicos and the British Virgin Islands.

We benefit from our strong home base in Canada, which continues to have one of the strongest fiscal positions of any developed country, and is recognized as having the world's soundest banking system.

At the same time we are well-diversified by business, geography, risk and people, and we continue to build our presence in high growth developing markets.

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In 2012, we made our largest ever international acquisition by acquiring Banco Colpatria in Colombia, which strengthens our network in Latin America and complements our leading position in the Caribbean.

We've shown a century-long commitment to this region that many international banks have not. Despite the troubles of the past several years, we have remained a stable employer and we are continuing to invest in new processes and expanded services for customers.

We've been a leader in mobile banking solutions, and in fact we were recognized by Bill Clinton in Time Magazine for our mobile wallet partnership with Digicel in Haiti that has helped make banking affordable and accessible to all Haitians.

In Jamaica we continued to enhance our internet banking platform and mobile banking applications, which led to a significant increase in the number of customers using both services. To better serve our retail clients, we upgraded and replaced over 200 ATMs for the year.

Ultimately, we are members of the local community. We play an important role in the local economy and our employees live and work in the neighbourhoods we serve.

We have a responsibility to contribute in meaningful ways, whether it's by offering the highest employment standards and great career opportunities to our team, or by supporting community initiatives.

Through our Bright Futures programme and the ScotiaFoundation, Scotiabank has supported nation-building through donations and interventions to improve education and health care, as well as promote community development and environmental preservation. Consistent with our commitment to enhance the quality of life for Jamaicans, the Foundation provided some J\$80 million in project financing in 2012.

Youth development remains the major focus for our investment and, in 2012, as a mark of Jamaica's 50th Anniversary of Independence, we presented 50 scholarships and bursaries to students in secondary and tertiary institutions. We also donated 148 computers to 50 educational institutions.

For the 14th consecutive year, outstanding performers in the annual Grade Six Achievement Test (GSAT) were awarded Shining Star Scholarships. Among those is the Cornwall County Scholar. The 15 awardees in 2012 bring the total number of beneficiaries to date to 238.

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In health care we supported all the major hospitals across the island through the donation and maintenance of equipment, refurbishment of facilities, and underwriting the cost of heart and scoliosis surgeries.

Volunteers

Over the past year, approximately 1,400 Scotiabank volunteers supported the ScotiaFoundation and other charitable agencies in responding to development needs in communities across the island.

I thank and commend each of our volunteers who show their commitment year after year and would like to specially recognise and congratulate Janet Richards of the Barnett Street sub-office for having won the 2012 Bright Future International Philanthropy Awards' Outstanding Individual Volunteer Award.

Conclusion

So, as I mentioned in my opening comments, Scotiabank is proud to be here. Jamaica is a very important country for our Bank, just as it is for the entire region.

It has been a pleasure to serve as your Chairman. I have every confidence in our team's commitment to work with our customers through the current economic challenges and continue to be a partner in Jamaica's growth and development.

Scotiabank will continue to bring the many strengths of our organization to our customers along with the best possible solutions to meet their financial goals.

Thank you.