core purpose:

to be the best at **helping customers** become financially **better off**

Scotiabank™

Discover what's possible

OVERVIEW OF 2013 PERFORMANCE

EXECUTING ON OUR STRATEGY

In 2013, Scotiabank Guyana, as a branch of The Bank of Nova Scotia headquartered in Toronto Canada, maintained its focus on the Bank's five key strategic priorities: sustainable and profitable revenue growth, capital management, leadership, prudent risk management and appetite and efficiency and expense management.

SCOTIABANK'S FIVE-POINT STRATEGY

1.Sustainable & profitable revenue growth
Collaborating across business lines and geographies provides the best possible solutions for customers.

2.Capital and balance sheet management
Scotiabank is strong and secure, and continues to support growth through active capital, liquidity and funding management.

3.Leadership
Attracting the broadest possible spectrum of talent is a priority. Diversity generates more innovative thinking, better decision-making and stronger business results.

4.Prudent risk management & appetite
Balancing expectations for growth and performance against acceptable levels of risk in every part of the organization.

5.Efficiency & expense management
Operating efficiently is in Scotiabank's DNA – it is a core strength and a competitive advantage.

FINANCIAL PERFORMANCE

The table below highlights the 2013 performance versus some of our objectives using a balanced scorecard concept.

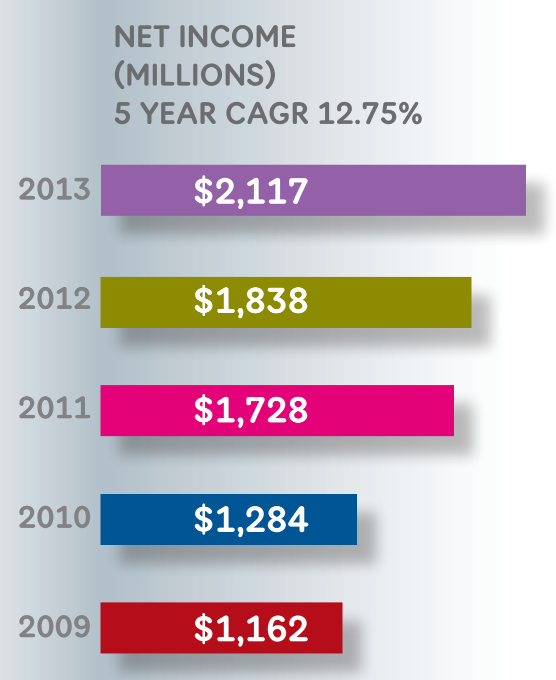
2013 PERFORMANCE VS OBJECTIVES

OBJECTIVES	TARGET	2013 RESULTS
FINANCIAL		
Loan Growth	5.39%	8.25%
Tier 1 Capital	Maintain sound capital ratios (> 8%)	22.49%
CUSTOMER		
Customer Loyalty Index	63% - 67%	67.00%
OPERATIONAL		
Productivity Ratio	<36.10%	37.00%
AML Plan Execution	Satisfactory	Satisfactory
PEOPLE		
Employee Engagement Index	71% - 75%	73%

NET INCOME AFTER TAX

Scotiabank Guyana ended fiscal 2013 with Net Income after Tax (NIAT) of $2,117. million, an increase of $279 million or 15.2% over the previous year. The results represent Scotiabank Guyana's continued growth year over year and underscore our strength and ability to generate consistently good results, despite the continued uncertainties and challenges in the external macroeconomic environment.

The growth in NIAT was as a result of success in the execution of the Five-Point Strategy with growth in Net Interest Income partially offsetting the decline in Non-Interest Revenue as well as a change in accounting treatment for Provisions for Loan Losses.



TOTAL REVENUE

Total revenue for 2013 was $6,046.2 million, an increase of $101.5 million or 1.7% over the previous year. Revenue for Corporate, Commercial and Small Business Banking grew by $91.4 million or 4.0% and contributed 39.4% of the Bank's total revenue. Retail Banking declined by $127.5 million or 4.1% (largely as a result of reduced foreign exchange earnings), and contributed 49.2% of the Bank's total revenue. Other revenues grew by $137.6 million or 25.1%.

TOTAL REVENUE	2013 $'000	2012 $'000	Change $'000	Change %	Contribution %
Corporate, Commercial Small Business Banking	2,384,940	2,293,522	91,418	4.0%	39.4%
Retail Banking	2,976,627	3,104,100	(127,473)	-4.1%	49.2%
Other	684,669	547,089	137,580	25.1%	11.3%
	6,046,236	**5,944,711**	**101,525**	**1.7%**	**100.0%**

NET INTEREST INCOME

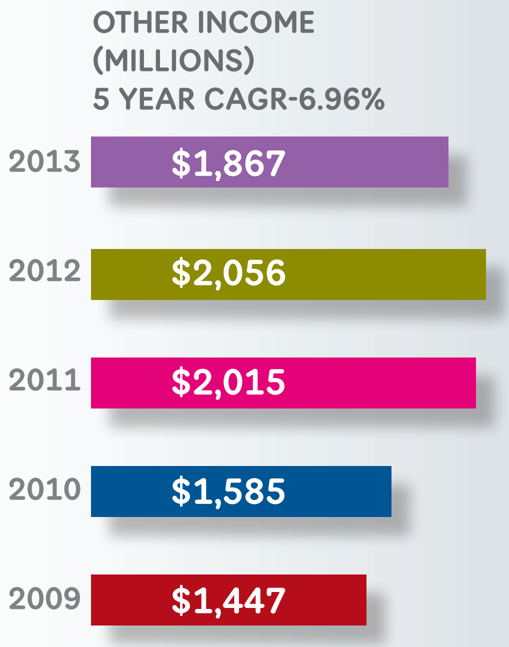
Net Interest Income for the year was $4,179.2 million, an increase of $290.9 million or 7.5% above the previous year. The increase in Net Interest Income resulted from growth in both the Retail and Corporate, Commercial and Small Business Banking portfolios.

Net interest margin (net interest income as a percentage of average earning assets) increased as the growth in loan assets was sufficient to offset declining margins resulting from reduced rates and competitive pricing pressures.

OTHER INCOME

Other Income (all income other than interest income) continues to be a significant strategic source of earnings for the Bank. Other Income for the year was $1,867.0 million, a decrease of $189.4 million or 9.2% over the previous year. Fee and Commission Income was the largest source of income generating $1,027.9 million, an increase of $141.8 million, or 16% over the previous year. Fee and commission income grew due to higher earnings from activities in our

Deposits and Payments Services category. Foreign Exchange earnings recorded revenues of $822.5 million during 2013, a decrease of $205.7.million or 20% over the previous year, reflecting the many challenges in the foreign exchange market during the year.



OPERATING EXPENSES

Operating Expenses for the year totaled $2,233.5 million, a decrease of $641.2 million or 22.3% over the previous year. The decrease in operating expenses was mainly due to reduction in Loan Loss Provisions. The reduction in loan loss provisions was a result of (a) a significant improvement in the non-performing portfolio and (b), a change in accounting treatment, resulting in a net credit of $185.4 in 2013, compared to a net charge of $719.5 million in 2012.

Salaries and Benefits were $684.2 million, an increase of $42.5 million or 6.6% above the previous year.

Premises and Technology was $641.1 million, an increase of $85.1 million or 15.3% above the previous year, a reflection of a continued focus on investing in technology and equipment.

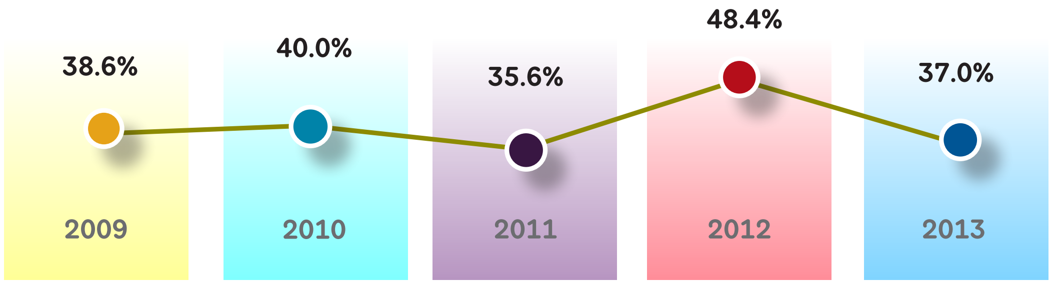
Communication and Marketing was $243.2 million, an increase of $99.3 million or 69% above the previous year. Changes in this category relate to the impact of increased charges and other costs related to various strategic promotional initiatives.

'Other Costs' represent all other categories of costs and totaled $860.4 million, an increase of $36.4 million or 4.5% over the previous year.

PRODUCTIVITY

Productivity Ratio (operating expense as a percentage of total revenue) for 2013 was 37.0%. compared with 48.4% during 2012, reflecting the decline in the Provision for Loan Losses (see note under operating expenses above).

PRODUCTIVITY RATIO



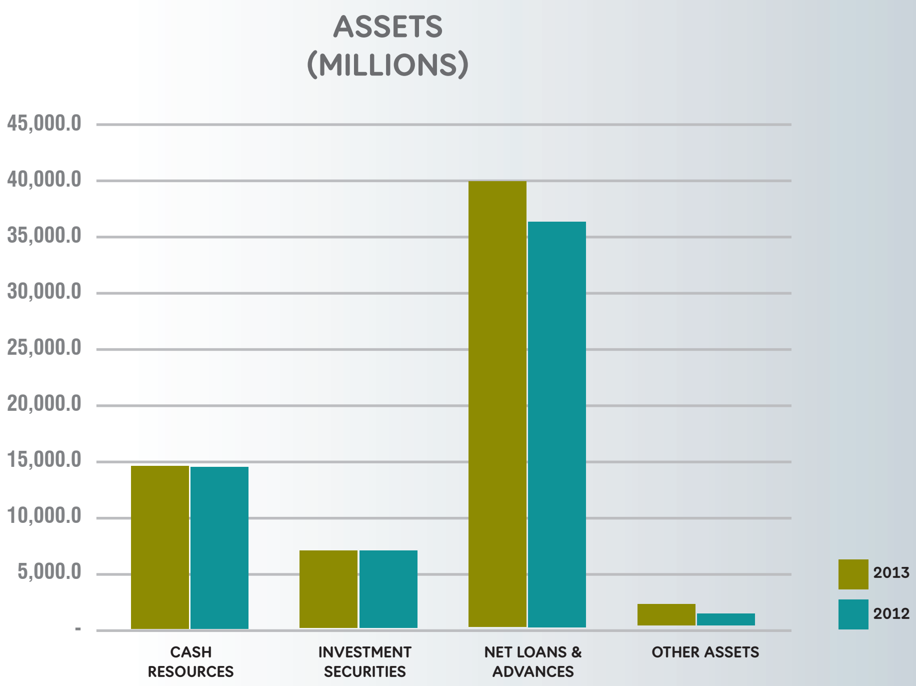
TAXES

The tax charge for the year was $1,695.5 million, an increase of 463.8 million or 37.7% over the previous year. The effective tax rate for 2013 was 44.5%, relative to 40.1% for 2012. The statutory rate is 40.0%. The tax rate is negatively impacted by restrictions on Head Office charges for tax purposes, applicable to foreign-owned companies.

FINANCIAL POSITION

TOTAL ASSETS

Scotiabank Guyana Total Assets closed the 2013 fiscal year at $62,992.8 million, an increase of $3,465.7 million or 5.82% over the previous year. Growth in assets was primarily due to increases in Net Loans and Advances.



CASH RESOURCES

The bank continues to hold more than adequate levels of liquidity to meet our depositors' and regulatory needs. Cash and cash equivalents held to meet the Bank's liquidity needs stood at $14,870.3 million at the end of fiscal 2013, an increase of $ 126.1 million, or .9% over the previous year.

SECURITIES

Investment Securities (Treasury bills) were $6,759.9 million as at the close of fiscal 2013, compared to $6,768.8 the previous year.

LOANS AND ADVANCES

Net Loans and Advances closed the year at $40,183.4 million, representing an increase of $3,298.1 million or 8.9% over the previous year. Net Loans and Advances to Total Asset Ratio was 63.8% during 2013, a marginal increase from 62.0% during 2012.

CREDIT QUALITY

As at the end of October 2013, Non-Performing Loans (NPLs) were $3,553 million, a decline of $1,435 million or 28.77% below the NPLs recorded in the previous year. The decline was as a result of classification changes from Non Performing to Performing Loans within the Manufacturing Sector. The NPLs as a percentage of Net Loans and Advances as at the end of the fiscal year was 8.8%, compared to 13.5% at the end of 2012.

CREDITS BY ECONOMIC SECTOR (THOUSANDS)

	Gross Loans	Specific Provisions	General Provisions	Net Loans (On Balance Sheet)	Off Balance Sheet	Total Exposures	Non-Performing Loans
General Government	-	-	-	-	-	-	-
Financial Institutions	119,227	-	-	119,227	-	119,227	-
Trade Credit Instruments	1,807,328	-	-	1,807,328	-	1,807,328	-
Public Non-Financial Institutions	496,051	-	-	496,051	-	496,051	-
Private Non-Financial Enterprises	10,228,820	(231,082)	-	9,997,738	815,173	10,812,911	1,474,295
1. Agriculture	579,288	(20,184)	-	559,104	-	559,104	117,246
2. Mining and Quarry	1,234,303	(13,343)	-	1,220,960	264,190	1,485,150	163,000
3. Manufacture	4,123,048	(37,450)	-	4,085,598	61,735	4,147,333	233,042
4. Services	4,292,181	(160,105)	-	4,132,076	489,248	4,621,324	961,007
Households	6,873,940	(101,473)	(41,000)	6,731,467	-	6,731,467	114,000
Real Estate Mortgages	21,842,902	(894,003)	-	20,948,899	-	20,948,899	1,965,000
Non-Residents	82,656	-	-	82,656	-	82,656	-
Total	41,450,924	(1,226,558)	(41,000)	40,183,366	815,173	40,998,539	3,553,295

LARGE EXPOSURES BY ECONOMIC SECTOR

Scotiabank Guyana had large exposures as at October 31, 2013 of $4.270.9 million (defined as credit facilities extended to any one customer or group of closely-related customers for amounts aggregating to more than 10% of Scotiabank Guyana Branch's capital base). These were all part of Scotiabank Guyana's performing portfolio.

ANALYSIS OF LARGE EXPOSURES BY ECONOMIC SECTOR

PRIVATE NON-FINANCIAL ENTERPRISES	2013 (Thousands)
1. AGRICULTURE	-
2. MINING AND QUARRY	-
3. MANUFACTURE	1,980,325
4. SERVICES	2,290,667
TOTAL	4,270,992

RENEGOTIATED LOANS

Loans renegotiated during the year amounted to $718.8 million. The aggregate balance of these loans as at October 31, 2013 was $710.9 million. Renegotiated loans attract the prevailing interest rates at the point of renegotiation and are generally designed to improve payment performance by taking into account customers changing circumstances, and their ability to service their loans in a satisfactory manner.

Loan loss provisions on renegotiated loans are maintained in accordance with Bank of Guyana's Supervision Guideline # 5.

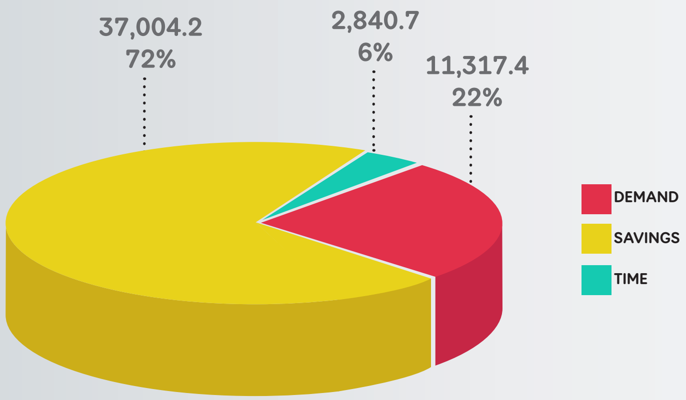
TOTAL LIABILITIES

Total Liabilities were $53,580.5 million as at October 31, 2013, an increase of $1,598.6 million or 3.08% over the previous year. Growth in liabilities was mainly due to increases in Customer Deposits.

DEPOSITS

Customer Deposits at the end of the fiscal year were $51,162.3 million, an increase of $1,404.4 million or 2.82% over the previous year. Please refer to the below chart for analysis of categorization.

DEPOSIT BY PRODUCT TYPE



The remaining Terms to Maturity for Time deposits were as follows:

TIME DEPOSITS BY REMAINING TERM TO MATURITY (THOUSANDS)

	Within 3 Months	Over 3 Months and up to 6 Months	6 Months to 1 Year	1 Year and up to 5 Years	Over 5 Years	Total
General Government	-	-	5,033	36,523	-	41,556
Financial Institutions	136,629	123,404	289,200	98,776	-	648,009
Public Non-Financial Institutions	44,977	26,529	47,452	-	-	118,958
Private Non-Financial Enterprises	151,183	11,386	68,062	54,590	-	285,221
Households	367,898	236,941	459,756	574,837	-	1,639,432
Non-Residents	19,102	20,294	15,959	52,209	-	107,564
Total	719,789	418,554	885,462	816,935	-	2,840,740

Amanda V.M.L. St Aubyn
Country Manager