

ANNUAL REPORT 2004



Scotiabank



Over the past 115 years, Scotiabank has become an integral part of the Jamaican Financial Sector, with an established reputation of strength, integrity, stability, innovation and continuous commitment to growth and community development.



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting of THE BANK OF NOVA SCOTIA JAMAICA LIMITED will be held on Friday the 18th February 2005 at 10:00 a.m. at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, Jamaica for the following purposes, namely:-

1. To consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended October 31, 2004 and to consider and (if thought fit) pass the following resolution:

Resolution No. 1

"That the Directors' Report, the Auditors' Report and the Statements of Account of the Company for the year ended October 31, 2004 be approved and adopted."

2. To approve and ratify interim dividends:-

To consider and (if thought fit) pass the following resolution:

Resolution No. 2

"That the interim dividends paid of 40 cents on April 1, 2004, 45 cents on July 1, 2004, 50 cents on October 7, 2004 and 50 cents on January 13, 2005 be and are hereby ratified."

3. To elect Directors and fix their remuneration. The Directors retiring from office by rotation pursuant to Article 90 of the Company's Articles of Association are Messrs. Anthony Chang, William McConnell, Professor Celia Christie and Dr. Jean Dixon who being eligible, offer themselves for re-election.

To consider and (if thought fit) pass the following resolutions:

Resolution No. 3

- a) "That retiring Director Anthony Chang be and is hereby re-elected a Director of the Company."
- b) "That retiring Director William McConnell be and is hereby re-elected a Director of the Company."
- c) "That retiring Director Celia Christie be and is hereby re-elected a Director of the Company."
- d) "That retiring Director Jean Dixon be and is hereby re-elected a Director of the Company."

4. To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.
To consider and (if thought fit) pass the following resolution:

Resolution No. 4

"That PricewaterhouseCoopers, Chartered Accountants, having agreed to continue in office as Auditors, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

5. As special business, to consider and (if thought fit) pass the following resolutions:

Resolution No. 5

"That pursuant to section 37(1) of the Companies Act 2004 (or such other relevant provision in any further revision to that Act) the Company hereby elects to retain the Company's existing shares with a nominal or par value and to continue to issue shares with a nominal or par value for the period of eighteen months from the date this election takes effect, PROVIDED that this election shall only take effect if the date that the Companies Act 2004 takes effect (the "Effective Date") is either before the date of this resolution or within 12 months of the date hereof, AND PROVIDED that if the Effective Date is after the date of this resolution then the election shall only take effect as at the Effective Date."

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Resolution No. 6

- (a) "That the Authorised Capital of the Company be increased to \$3,000,000,000 by the creation of an additional 1,500,000,000 ordinary shares of \$1.00 each to rank pari passu in all respects with the existing ordinary stock in the capital of the Company."
- (b) "That on the recommendation of the Directors and pursuant to Article 123 of the Articles of Association of the Company the sum of \$1,463,616,000 being part of the Retained Earnings Reserve of the Company be capitalized and accordingly that such sum be set free for distribution amongst the shareholders on record as at March 10, 2005, in the proportions in which they would have been entitled thereto if distributed by way of dividend and on condition that the same be not paid in cash but be applied in paying up in full at par 1,463,616,000 Ordinary Shares of \$1.00 each to be allotted, distributed and credited as fully paid up to and amongst the said members in the proportions aforesaid; and that the shares so issued shall rank for all dividends declared subsequent to the passing of this resolution by the Members."
- (c) "That the 1,463,616,000 fully paid up bonus shares, when issued, be converted into ordinary stock transferable in units of \$1.00 each and that the directors be and are hereby authorised to carry the said conversion into effect."

6. Any other business for which due notice has been given.

BY ORDER OF THE BOARD

David Noël
Secretary
November 25, 2004

REGISTERED OFFICE
Scotiabank Centre
Duke & Port Royal Streets
Kingston

A member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his/her stead. A Proxy need not also be a Member of the Company. Enclosed is a Proxy Form for your convenience, which must be lodged at the Company's Registered Office at least forty-eight hours before the time appointed for holding the meeting. The Proxy Form shall bear the stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

FINANCIAL & OTHER HIGHLIGHTS

Financial Position (\$ Millions)

	2004	2003
Total Assets	168,159	147,661
Earning Assets		
Performing Loans, net of provisions	52,420	47,111
Repos	25,046	17,593
Non performing Loans	1,039	964
Investments & Others	65,546	61,261
Deposits by the public	98,811	87,067
Stockholders' Equity	20,599	17,656

Earnings and Dividends (\$Millions)

Gross Operating revenue	22,254	19,689
Profit before Taxation	8,173	7,307
Profit after Taxation	5,856	5,457
Dividends paid and proposed	2,708	2,561

Financial Ratios

Earnings per stock unit (\$)	4.00	3.73
Dividends per stock unit (\$)	1.85	1.75
Dividend payout ratio (%)	46.24	46.92
Return on average equity after tax (%)	29.85	34.22
Return on assets at year- end (%)	3.48	3.68
Net Interest Margin (%)	8.36	7.85
Risk based Capital Adequacy Ratio (%)	22.31	22.77

Other Statistics

Number of stock units (ordinary shares)	1,463,616,000	1,463,616,000
Stock price at year- end (\$)	50.51	17.90
Number of stockholders	10,982	9,401
Number of staff	1,864	1,851
Number of offices	48	47

Where necessary, comparative figures have been restated to conform with changes in presentation in the current year.





DIRECTORS' REPORT

The Directors submit herewith the Statement of Consolidated Revenue, Expenses, Unappropriated Profits, Assets and Liabilities of the Bank for the year ended October 31, 2004.

The Consolidated Statement of Revenue and Expenses shows pre-tax profit for the year of \$8,173 Million from which there has been provided \$2,317 Million for corporate income tax, leaving a balance of \$5,856 Million.

The appropriation of earnings detailed in the financial statements includes:

- i. An interim dividend of 50 cents per stock unit payable to stockholders on record as at December 16, 2004, payable on January 13, 2005. This brings the total distribution for the year to \$1.85 per stock unit compared with \$1.75 per stock unit for the previous year.
- ii. A transfer of \$750,000,000 to the Retained Earnings Reserve.

In view of the interim dividends paid, and to be paid, as mentioned above, the Directors do not recommend the declaration of a final dividend at the Annual General Meeting to be held on February 18, 2005. The Directors do however recommend for the approval of the members at the next Annual General Meeting an increase in the authorized share capital of the company by \$1,500,000,000 to \$3,000,000,000 and the issuing of 1,463,616,000 ordinary shares in a 'one-for-one' bonus share issue.

Messrs. Anthony Chang, William McConnell, Professor Celia Christie and Dr. Jean Dixon retire from the Board by rotation in accordance with Article 90 and being eligible offer themselves for re-election.

The Auditors, PricewaterhouseCoopers, have signified their willingness to continue in office.

Your Directors wish to thank the Management and Staff of the Bank for their performance during the year under review.

On behalf of the Board

R.H. Pitfield
Chairman, Kingston, Jamaica
November 25, 2004

TEN-YEAR STATISTICAL REVIEW

	2004	2003	Restated 2002	Restated 2001
\$'000				
Total Assets	168,159,212	147,660,945	127,367,433	102,563,972
Performing Loans	52,420,129	47,111,019	38,513,658	25,244,790
Non-Performing Loans	1,039,373	963,695	906,857	911,345
Repos	25,046,360	17,593,444	14,120,663	14,715,189
Investments & Other Earning Assets	65,545,807	61,261,006	52,326,933	46,653,347
Deposits by the public	98,810,819	87,067,332	76,947,608	67,809,259
Securities Sold Under Repurchase Agreement	18,546,429	15,292,996	11,566,632	8,392,202
Stockholders' Equity	20,599,392	17,656,376	14,065,776	11,880,802
Profit Before Tax	8,172,633	7,307,403	5,308,735	4,418,438
Net profit after tax	5,856,057	5,456,670	3,869,782	3,214,178
Dividends paid, gross	2,707,689	2,561,328	1,683,158	1,463,616
Unappropriated Profits at year end	8,978,574	6,580,207	4,265,864	2,829,240
Number of stock units at year end	1,463,616	1,463,616	1,463,616	1,463,616

FINANCIAL RATIOS

Earnings per stock unit	4.00	3.73	2.64	2.20
Price earnings ratio	12.62	4.80	5.92	6.96
Dividends paid per stock unit*	1.85	1.75	1.15	1.00
Dividend yield (%)	3.66	9.78	7.34	6.54
Dividend payout ratio (%)	46.24	46.94	43.49	45.54
Return on average equity pre-tax (%)	41.65	45.83	40.00	44.72
Return on average equity (%)	29.85	34.22	29.16	32.53
Return on assets at year end (%)	3.48	3.70	3.04	3.13

OTHER DATA

Stock price at year end (\$)	50.51	17.90	15.66	15.28
Price change from last year (%)	182.18	14.30	2.49	18.27
JSE Index at year end	104,001	60,304	41,044	32,595
Change in JSE Index from last year (%)	72.46	46.93	25.92	9.47
Number of staff	1,864	1,851	1,805	1,756
Number of offices	48	47	49	48
Number of stockholders	10,982	9,401	9,447	9,165
Exchange Rate J\$1=US\$	0.0162	0.0166	0.0203	0.0210
Inflation Rate Year Over Year (%)	11.60	14.13	5.04	7.56
Net Profit in US\$	94,805	90,549	78,387	67,498

DIVIDEND PAID QUARTERLY*

Quarter 1	585,446	446,403	402,493	329,314
Quarter 2	658,627	446,403	417,131	358,586
Quarter 3	731,808	526,902	417,131	373,222
Quarter 4	731,808	1,141,620	446,403	402,494
Total	2,707,689	2,561,328	1,683,158	1,463,616

*Based on 1,463,616,000 stock units outstanding

TEN-YEAR STATISTICAL REVIEW

2000	1999	1998	1997	1996	1995
88,430,400	77,719,597	65,615,624	54,926,384	42,226,573	34,748,354
20,357,184	16,669,180	17,196,178	19,081,755	16,810,175	14,442,334
1,217,056	1,324,321	1,237,930	720,465	332,679	146,295
9,171,222	9,933,153	7,908,520	7,547,662	5,015,324	522,885
44,585,417	39,149,800	36,599,592	17,132,218	13,188,100	11,813,264
60,384,105	54,537,781	46,222,803	41,677,670	30,427,290	27,337,554
8,701,050	8,016,576	6,072,443	4,257,049	2,647,531	663,545
8,353,262	6,996,243	5,916,542	4,942,448	4,089,024	3,050,731
3,484,976	2,946,473	2,577,282	2,262,128	2,475,282	2,149,544
2,557,184	2,031,051	1,764,447	1,584,559	1,661,395	1,291,564
1,200,165	951,350	790,353	731,808	658,628	548,856
1,038,755	635,886	338,959	201,223	510,917	269,161
1,463,616	1,463,616	1,463,616	1,463,616	731,808	731,808
1.75	1.39	1.21	1.08	1.14	0.88
7.38	4.83	5.56	9.05	6.56	7.71
0.82	0.65	0.54	0.50	0.45	0.38
6.35	9.70	8.06	5.10	6.04	5.51
46.93	46.84	44.79	46.18	39.64	42.50
44.05	44.00	46.32	50.09	69.34	80.38
32.32	30.33	31.71	35.09	46.54	48.29
2.89	2.61	2.69	2.88	3.93	3.72
12.92	6.70	6.70	9.80	7.45	6.80
92.84	0.00	-31.63	31.54	9.56	24.20
29,776	21,124	20,050	18,147	15,323	15,667
40.96	5.36	10.49	18.43	-2.20	13.09
1,691	1,757	1,874	1,666	1,617	1,591
50	49	50	51	50	50
9,040	8,912	8,073	7,948	10,379	8,200
0.0224	0.0250	0.0271	0.0278	0.0285	0.0260
8.30	6.44	7.14	9.98	22.76	18.72
57,281	50,776	47,746	44,052	47,333	33,581
182,952	182,952	146,361	146,362	109,771	109,771
182,952	182,952	146,362	146,362	109,771	109,771
292,723	182,952	146,362	182,952	109,771	109,771
541,538	402,494	351,268	256,133	329,314	219,542
1,200,165	951,350	790,353	731,808	658,628	548,856

REPORT TO SHAREHOLDERS

FINANCIAL REVIEW



Robert H. Pitfield
Chairman

GROUP FINANCIAL REVIEW

We are pleased to report on another successful year of operations in which Scotiabank and its subsidiaries (the Bank) achieved record consolidated net profit of \$5,856 million, an increase of \$399 million or 7.3% over the previous year. This marks the eighth consecutive year of increased earnings. These results were achieved despite a very challenging economic climate, which saw significant reductions in market interest rates. Our record results are, however, the direct outcome of our overall strategy, which remains grounded in our core strengths, and focused on sound fundamentals - solid execution of our plans, careful management of risks and expenses, and a total commitment to customer satisfaction by our team of more than 1,800 skilled and dedicated employees.

NET INTEREST INCOME

Net interest income, the excess of gross interest revenue over gross interest expenses, continues to be our most significant source of earnings. For the year ended October 31, 2004, net interest income grew to \$14,111 million, 17% above the previous year. The prime source of this growth was the 16% rise in average total earning assets, from \$129 billion to \$150 billion, coupled with a 51-basis point growth in net interest margin, from 7.85% to 8.36%. The asset growth was, for the most part, funded by increased deposits, reverse repurchase arrangements and retained earnings.

PREMIUM INCOME

Scotia Jamaica Life Insurance Company Limited (SJLIC) had another successful year as total gross premium income increased from \$3,377 million to \$4,244 million, a growth of 26% over the previous year, while net premium income grew by 22%, to \$274 million. ScotiaMint, the flagship product of SJLIC, remained very competitive and continues to enjoy the largest share of the local interest rate-sensitive insurance market.

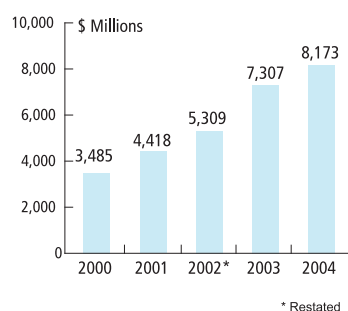
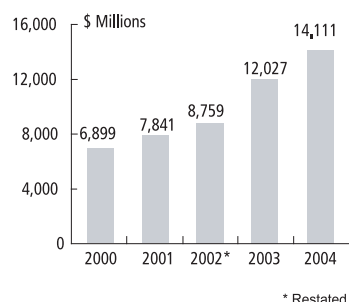
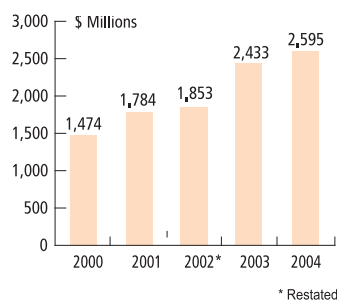
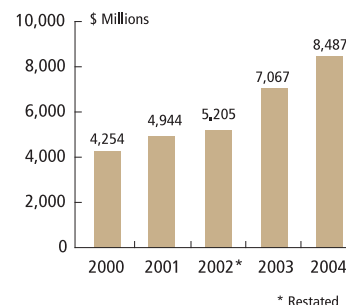
OTHER INCOME

Other income, defined as all income other than net interest income and insurance premium income, increased by \$112 million year over year. With the exception of a 15% reduction in foreign exchange trading revenue, all other elements of this revenue source increased in tandem with the growth in business volume.

NON-INTEREST EXPENSES AND PRODUCTIVITY

Exceptional expense control is a key characteristic of the Bank's performance. Our productivity ratio continues to lead the financial services industry and is a significant factor in the Bank's ability to produce record results.

The Bank's productivity ratio (non-interest expense as a percentage of total revenue) - a key measure of cost effectiveness - was 51.08% for 2004, up marginally from 49.46% at the previous year end. This is significantly better than the internationally

Profit Before Tax**Net Interest Income****Other Income****Expenses**

REPORT TO SHAREHOLDERS

FINANCIAL REVIEW CONT'D

recognized norm of 60% for measuring the operating efficiency of banks. If we exclude insurance premium income and the related actuarial cost, to recognize the significant dissimilarities between the revenue/expense pattern of the insurance business and the other financial services offered by the other members of the group, the productivity ratio for 2004 was 38.29%, compared with 40.12% for 2003. We will continue our focus on finding new ways to improve operational efficiency by consolidating and streamlining processes and structures, eliminating duplication and sharing best practices throughout our network.

Non-interest expenses, excluding the change in policyholders' reserve and loan loss expense, were \$6,245 million, an increase of \$620 million over last year. This is primarily due to increases in staff-related costs of \$236 million, and other operating expenses of \$384 million due to increases in property-related expenses, advertising, public relations, computer expenses and stationery costs.

DIVIDEND POLICY, SHARE PRICE, AND RECOMMENDED BONUS SHARE ISSUE

Scotiabank's policy is to increase dividends in line with the trend in earnings, while ensuring that adequate levels of capital are maintained for the purpose of protecting depositors and growing the business of the Bank. The dividend payout ratio is the

gross dividend paid, expressed as a percentage of the net profit after tax. Our payout ratio for 2004 was 46.24%, compared with 46.92% for the previous year. Both dividends were within our usual payout range of 40% to 50%.

The Bank marked another year of consecutive dividend increase. Dividends per share rose to \$1.85 in 2004, a 6% increase over the prior year, which was \$1.75 per share, and included a special dividend of 38 cents per share, which was approved by the Board of Directors in recognition of the exceptional performance of our Bank in 2003. The gross dividend paid for fiscal 2004 was \$2,708 million, up \$146 million from last year. The steady growth in dividends is a major contributor to the high long-term returns generated for shareholders.

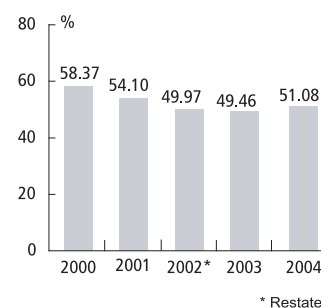
The Bank's average month-end share price during 2004 was \$41.94, compared with \$15.15 in 2003. Dividend yield for 2004 was 4.41%, compared to 11.55 % for 2003.

The Board of Directors, at its meeting held on November 25, 2004, recommended for approval at the Annual General Meeting a one-for-one bonus share issue to stockholders on record as at March 10, 2005. This is the first bonus allocation recorded since 1997.

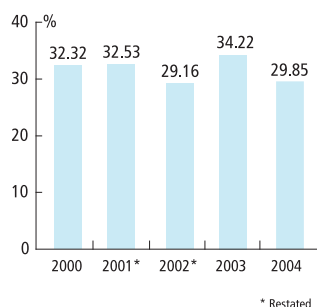


William E. Clarke, CD
President and CEO

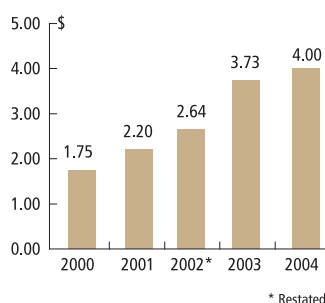
Productivity Ratio



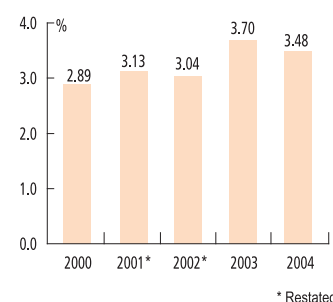
Return on Average Equity



Earnings Per Stock Unit



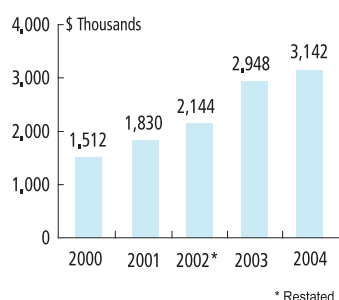
Return on Assets



REPORT TO SHAREHOLDERS

FINANCIAL REVIEW CONT'D

Profit Per Employee



ASSET GROWTH

The Bank's total assets increased to \$168 billion from \$148 billion at October 31, 2004, an increase of 13.5%. The average 10-year compounded growth rate at October 31, 2004, was 18.8%, compared with 22% at the previous year end. While private sector commercial loan demand remained soft, we achieved significant growth during 2004, mainly through growth in retail loans.

Our cash resources held to meet statutory reserves and the Bank's prudential liquidity targets stood at \$40 billion at October 31, 2004, compared with \$35 billion at the previous year end. These assets are held in liquid form at levels and terms that enable us to respond effectively to swings in our cash flow, without severe adverse consequences. The amounts held exceed the statutory minimum for such assets in relation to our prescribed liabilities.

The Bank's portfolio of government securities (including repurchase agreements) grew from \$48 billion at last year-end, to \$60 billion at October 31, 2004, and repo liability growth outpaced loan growth.

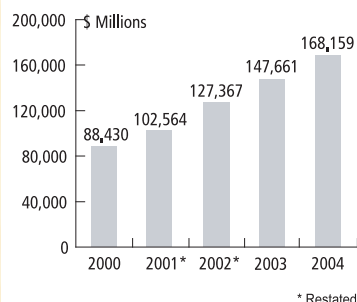
CREDIT QUALITY

The charge against the Group's profit and loss account for credit losses in 2004 was \$46 million, down \$41 million from the previous year.

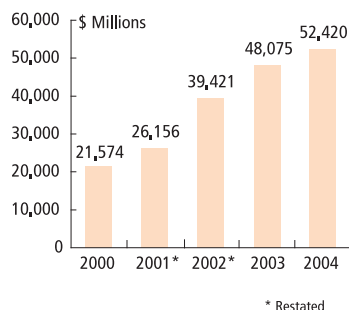
Non-performing loans stood at \$1,039 million at year-end; an increase of \$75 million compared to last year. While \$268 million of new commercial accounts were classified non-performing since the beginning of the year, \$317 million was recovered on old NALs (largely from sale of real estate security), and there were bad debt write-offs of \$16.5 million. This resulted in a net decrease of \$65.5 million in commercial NALs. In contrast, retail loan NALs (Scotia Plan Loans and residential mortgages) classified non-performing) have increased to \$140 million for the year. This has been, in part, due to continued weak economic conditions. We continue to focus on all areas of concern to reverse the negative trends in retail non-performing loans.

Overall, non-performing loans as a percentage of gross total loans, was reduced from 1.98% at October 31, 2003, to 1.93% as at October 31, 2004. Most non-performing loans are secured, the majority with real estate security. Provisions for loan losses are considered adequate and are reviewed regularly in light of changing market conditions. Provision for loan losses on an IFRS basis was \$500 million at year-end. However, the total provisions based on the Bank of Jamaica's (BOJ's) statutory requirements were \$1,307 million. The difference between the statutory and the IFRS provision is reported in the LLP Reserve, as a component of shareholders' equity. We are confident that, with this level of provisioning, the Group is adequately protected should the economy

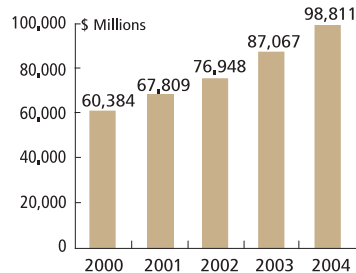
Total Assets



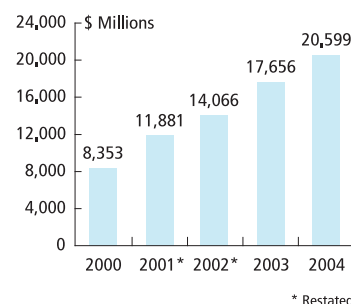
Total Loans



Total Deposits



Stockholders' Equity



REPORT TO SHAREHOLDERS

FINANCIAL REVIEW CONT'D

suffer a short-term downturn.

DEPOSITS

Our Bank continues to increase its deposits, despite the noticeable market shift from traditional bank deposits to investments in a wide variety of market instruments, ranging from Government of Jamaica securities to money market products. The Bank's deposits grew by 13.15%, to \$99 billion at this year-end from \$87 billion at last year-end as public confidence in the Bank remains very high.

Consistent with the trend in market rates, the average cost of our total deposits and other interest-bearing liabilities decreased by 1.53% from the previous year-end. The mix of the portfolio was dominated by retail savings accounts; however, term deposits and repo liabilities continued to grow steadily.

CORPORATE AND COMMERCIAL BANKING

We continued to anticipate and respond to the needs of our corporate and commercial customers, introducing new products and services and continuously improving our delivery structure to ensure that our customers receive the high level of service they require and expect.

The concept of grouping lenders in centres to meet the needs of our commercial customers has been expanded from the Corporate and Commercial

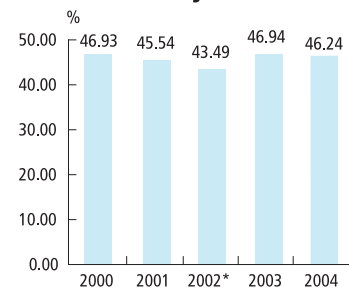
Banking to regional business banking centres at our branches in Half Way Tree, Ocho Rios, Montego Bay and Mandeville. These business banking centres are staffed with experienced commercial relationship managers who act as resources for the branches in their regions, allowing branch managers to focus on developing strong customer relationships. The segmenting of our commercial and corporate activities into local branches, Business Banking Centres and Corporate and Commercial Banking is designed to ensure that the ideal mix of local market knowledge and dedicated commercial expertise and experience is provided to each customer.

The Bank's continued commitment to the Jamaican productive sector was again demonstrated by the introduction of the Scotia Jamaica Production Fund, a \$1 billion fund targeted at the small and medium enterprise productive sector. The fund is designed to assist businesses in increasing their exports, foreign exchange earnings and employment, by assisting in financing the improvement or expansion of their productive assets. Eligible businesses can access loans under the programme, repayable up to seven years at a subsidized interest rate of 9.5%.

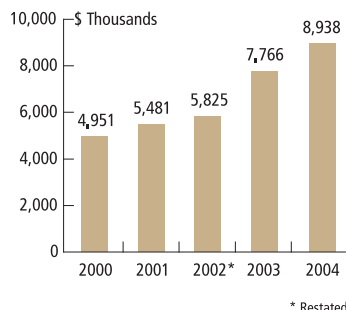
In an effort to assist in the restoration of the productive processes after Hurricane Ivan, our

Bank provided short-term assistance to business customers in the following ways:-

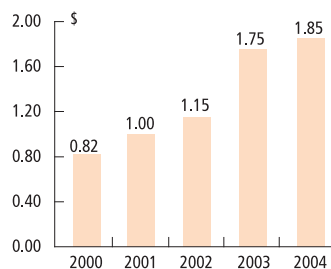
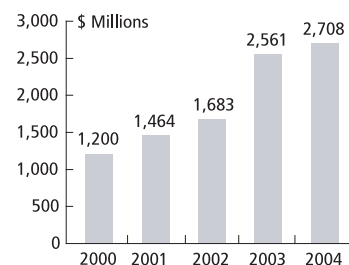
- Loan of \$300 million to the Development Bank of Jamaica for unending to small farmers through People's Co-operative Banks.
- Customers whose businesses suffered physical damage directly, or where their cash flows were affected indirectly, through a lack of sales or the inability to collect receivables, were allowed up to six months moratorium on principal payments on capital loans.

Dividend Payout Ratio

* Restated

Revenue Per Employee

* Restated

Dividends Per Stock Unit**Dividends**

REPORT TO SHAREHOLDERS

CORPORATE AND COMMERCIAL BANKING (cont'd)



- For customers whose fixed assets were damaged by Hurricane Ivan and had submitted a claim to their insurers, a term loan of up to 75% of sum claimed was available at a rate of 18%, fixed for up to nine months.

We again recorded significant growth in the Bank's corporate/commercial loan and deposit portfolios, across a broad range of industry segments. Major growth segments were tourism and other service segments, infrastructure development, retail and manufacturing. During the year, additional trade services such as Trade Express Elite, which assists in streamlining the issuance and amendment of documentary letters of credit, were successfully introduced and our suite of cash management services continued to assist our customers in managing their cash flow.

The strength of the Bank's international linkages through the Scotiabank worldwide network assisted our customers in their import and export operations and augmented our position as a major provider of trade finance and regional capital markets solutions for our customers.

RETAIL BANKING

During 2004, we maintained our market dominance in retail banking despite aggressive competition and the challenging economic

environment. This we achieved primarily through our customers' continued loyalty and the hard work and dedication of a committed group of highly talented employees. We have consistently focused on the needs of our customers and meeting their expectation of maintaining a track record of being a safe and convenient place to do banking. Our branches remain our main channel of delivery of retail products and services.

During the year we introduced a simple but effective program called Pre-Authorized Contribution - PAC. Through this program, at predetermined intervals, we automatically move funds from our customer's day to day banking accounts into specifically designated savings accounts. This service is offered at no cost to our customers.

Another focus during the year was on finding innovative ways to make it easier for our customers to do business with us. We finalized referral arrangements with several car dealers and large retailers to facilitate direct referral loan programs, making it more convenient for our customers to access our consumer loan facilities.

We achieved impressive results in the growth of our retail product lines. Our lead consumer loan product, ScotiaPlan Loan, recorded growth of 38.1%, year-over-year and represents 54% of the total retail-lending portfolio. ScotiaLine our personal revolving line of credit recorded impressive growth of 17.6%, representing the highest year-over-year growth for the last three years.

Scotiabank continues to dominate the local credit card market with the issuing of Visa and MasterCard credit cards. We offer a wide range of

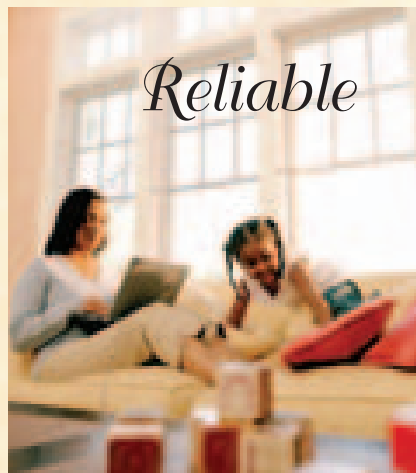


President William Clarke and Valerie Williams of Private Banking Unit watch as customer Michael Bernard, Director, Carreras Group Limited pins his new Scotiabank Platinum MasterCard Credit Card at the launch of the Card in October at the Jamaica Pegasus Hotel.



REPORT TO SHAREHOLDERS

credit card products tailored to satisfy the diverse needs of our customers. Our new and exciting product, Scotiabank Magna MasterCard credit card significantly contributed to the growth of the card portfolio, with the acquisition of over 8,000



accounts. This year we developed and introduced the first Platinum MasterCard credit card issued in Jamaica. This product symbolizes our focus on maintaining a suite of credit card products to suit the lifestyles of all our customers. Our credit card portfolio grew by an impressive 22.3% year-over-year.

ELECTRONIC BANKING

Scotiabank continues to recognize electronic-banking, as one of the most important drivers of customer convenience and service delivery. This has therefore become a prime area of focus for our bank, significantly expanding our electronic channels in 2004 and intensifying the significance of ScotiaCard (ABM Card), as the gateway to Scotiabanking, both in and out of the branches.

ScotiaCard

ScotiaCard has been highly promoted as having increased significance as the access card to all our Electronic Banking channels. Also, ScotiaCard is now used at the teller wickets in all our branches to make banking paperless, fast, secure and convenient.

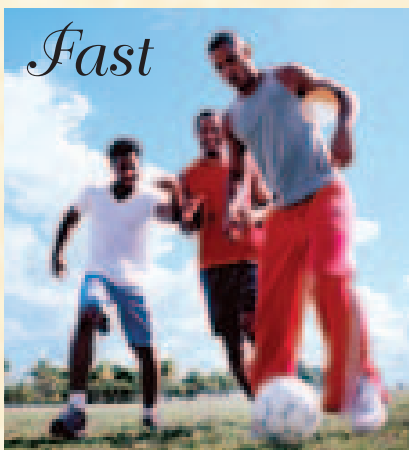
We are extremely happy with the manner in which our customers have accepted the convenience and

increased the usage of ScotiaCard in conducting their day-to-day banking. Over 50% of our active customer base now uses ScotiaCard as their access to convenient banking, the Scotiabank way.

Automated Banking Machines

The provision of alternative delivery channels continued to be an important focus in order to give our customers a greater level of choice, flexibility and convenience when conducting their banking business. In this regard, 30 additional ABMs were commissioned into service, taking our total deployment to 147 island-wide. This includes three dual currency machines (issuing both US\$ and J\$) in strategic north coast locations.

Our ABM channel continues to be the main electronic banking channel used by our customers to conduct day to day banking transactions. One million transactions were done at the ABM's during the year.



Scotiabank is the largest provider of ABM service in the island and we are proud of our contribution to supporting the MultiLink network and providing Jamaican consumers with easy access to do their day to day banking.

Internet Banking

Scotiabank's personal Internet banking service was soft launched in 2003 and we are heartened by the manner in which our customers have embraced this new service. In 2004, they conducted over 50,000 transactions on the

Internet platform and we expect this to continue as our customers find this service experience exciting, user-friendly and convenient. The service will be further expanded to commercial clients in early 2005.

The Jamaica Customs e-payment system, a first from Scotiabank, launched in 2003, continues to transform the payment processes at the ports. This year we expand this service further to facilitate the electronic payment of selected tax types by individuals and businesses.



BANKING OPERATIONS

During the year, we embarked on a major initiative, that of re-engineering our service delivery capacity and our sales capability, with the introduction of a new technology -the International Banking Platform (IBP). This is another important building block in our ongoing strategy to transform all our branches into sales and service centres that foster the building of relationships with our customers, creating a truly customer-centric organization.

The IBP automates many everyday banking functions. The introduction of this technology provides two key tools to promote and enhance relationship banking with our customers:

- Interactive Teller Platform (ITP)
- Interactive Application Processing (IAP)

REPORT TO SHAREHOLDERS

Interactive Teller Platform (ITP)

ITP allows tellers to serve customers more effectively and efficiently by giving them direct access to the customer's information file (CIF) while completing their transactions. This provides many benefits to customers including convenience, as both ScotiaCard and PIN are used to conduct banking transactions, securely, on accounts maintained at any BNS branch. The customer also has less paper to deal with, as there is no need to complete deposit or withdrawal slips. Service is now a conversation with the teller while transactions are being processed. Customers receive a printed receipt as a record of all their transactions completed at the teller.

Interactive Application Processing (IAP)

IAP automates the Retail Loan application-taking process. Applications for banking products, such as credit cards and Scotialine facilities, are completed online by personal Banking Officers (PBO's).

IAP saves the customers' time and provides a one-stop banking experience through interaction with personal banking officers. Customers will not have to repeat the same information for each new product, as data taken once is stored and only requires updating as necessary. Automated retail credit scoring and assessment has resulted in faster turnaround time on credit applications, because the personal banking officer is able to make quicker decisions. PBOs now have ready access to customers' information files, and can therefore, give customers better service and financial advice.

The International Banking Platform has been implemented in 38 of our branches as at October 31, 2004, and our schedule is to complete implementation in all remaining branches by December 31, 2004.

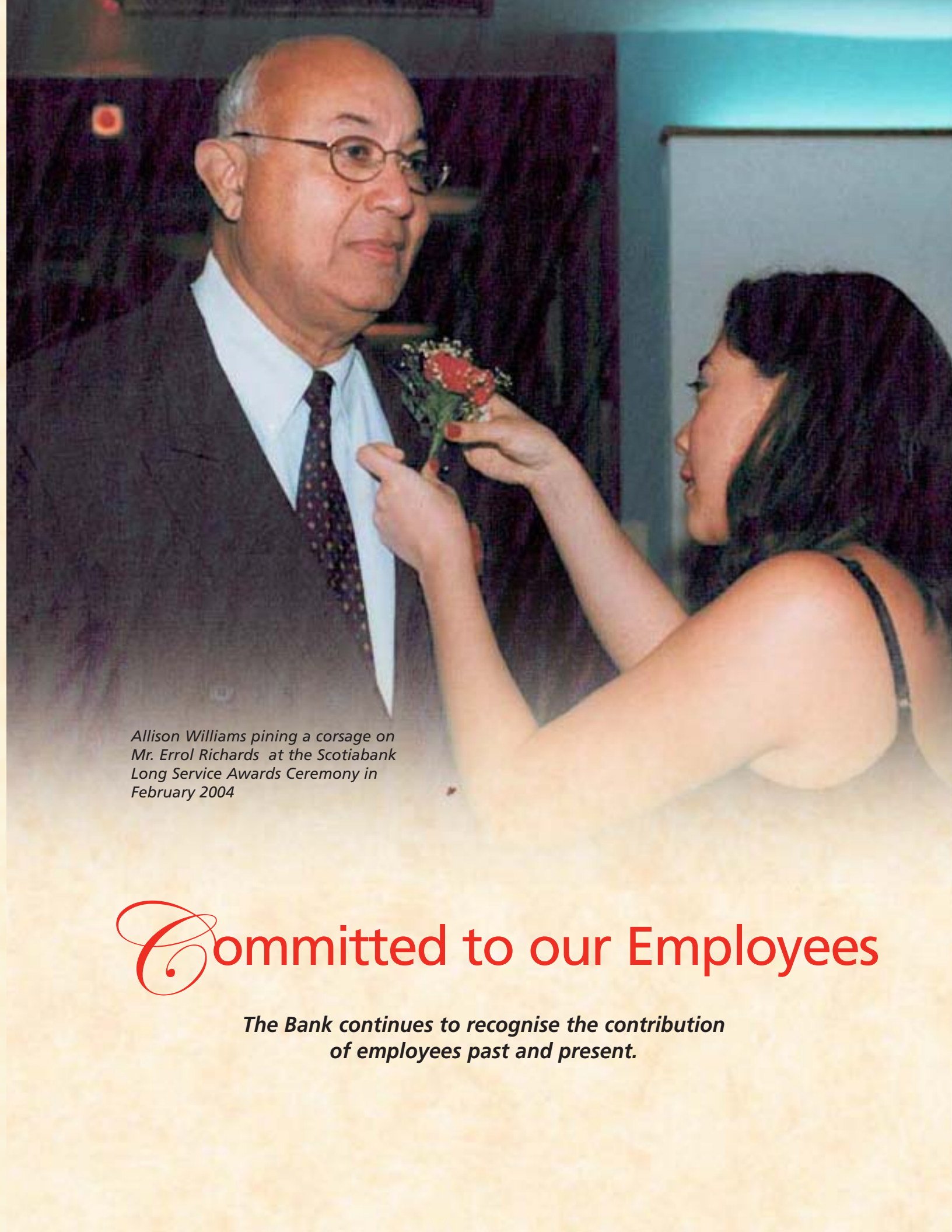
On June 14, 2004, we opened our newest branch in Portmore. The branch represents an investment of \$114 million and is equipped with state-of-the-art facilities, including a drive-thru ABM. We also continued with an aggressive renovation and refurbishing programme at a number of our branches across the island.

PROJECT FINANCED BY THE BANK

MEGAMART

Kevin Workman and Marcette McLeggion of the Corporate and Commercial Banking Centre, on tour of the new MegaMart on Waterloo Road with Mr. Gassan Azan (right) Managing Director. Scotiabank was one of the financiers of the project.





*Allison Williams pinning a corsage on
Mr. Errol Richards at the Scotiabank
Long Service Awards Ceremony in
February 2004*

Committed to our Employees

*The Bank continues to recognise the contribution
of employees past and present.*

REPORT TO SHAREHOLDERS

HUMAN RESOURCES

The year 2004 was eventful for the corporate human resources function at BNSJ. Several bold initiatives were undertaken which have already started to "add value on the inside as we create value on the outside", as our motto states.

One of the Bank's objectives is to be an employer of choice and we have worked throughout the year to promote this, not only to prospective employees, but also to current employees. Our legacy of contributing to the career development of our people and to the overall labor market continued. We also assisted in preparing students for the workforce by sharing information at expos, conducting mock interviews and making presentations to students.

Workforce development through education and exposure continued this year. Apart from our investments in scholarships, BNSJ continued to support the growth and development of young people through its summer intern program. Several young people from 3 universities were given the opportunity to work on important projects and further develop their workplace skills. These bright young people were deployed in various offices of the bank and subsidiary companies, and the partnerships continue to be mutually rewarding. Scotiabank also continued to provide mentors for various students in educational institutions.

For the first time this year, our Employee Annual General Meeting incorporated the Bank's annual sales and service awards. Attendance was commendable and feedback received from the staff indicated that the meeting was a successful one.

A comprehensive job evaluation exercise was undertaken for the Group, in conjunction with our head office in Toronto and Hay job evaluation consultants. The results have been communicated to staff and a robust education process rolled out to keep staff informed of the changes and their implications. New organization structures/job grades are to be implemented at the start of the new fiscal year. We have concurrently revised and agreed upon a new compensation philosophy.

In keeping with our strategic plan, efforts continued to be made to improve the effectiveness of the staffing process. Entry requirements and testing arrangements have been enhanced to add greater value to the recruitment and selection processes.

Performance management and employee development programmes continued to be areas of focus during the financial year. Revised performance assessment tools were implemented and analytics were applied to the results for the first time to determine focus areas. Staff development initiatives included the continued development of a coaching culture through the delivery of workshops and coaching clinics across the organization. We are building on the success of the pilot mentorship programme, with full implementation planned for the beginning of the new fiscal year.

We advanced our leadership resource planning and will widen the involvement of lower levels of staff at the start of the new fiscal year, to complement our commitment to the development of internal talent and succession planning.

Employee perspective surveys conducted during the year reflected increased participation and improved satisfaction levels.

The Employee Share Ownership Program maintained a healthy participation level in 2004. Employees continue to attest to the significant benefits gained from participation in this programme from year to year.

Under the Employee Assistance Program (EAP), we distributed periodic electronic EAP wellness letters to staff, aimed at supporting our employees in leading balanced lives. EAP continues to be used by staff and their eligible dependents in meeting counseling needs that arise from time to time.

A major initiative will be the establishment of a HR website/intranet. The intranet will equip our employees with vital information, such as career opportunities, HR events, policies, programmes, benefits information and campaigns.

As we continue to foster a learning culture within the Bank, we anticipate continued growth in staff innovation, performance levels and overall productivity ratios, continuing our tradition of a win/win partnership for staff, customers and shareholders of our Bank.

EMPLOYEE COMMUNICATION & CONSULTATIONS UNIT

The Employee Communications and Consultations unit (ECC) was established on May 1, 2003, with the dual mandate of improving employee communication and providing a confidential place where employees could air concerns. It is the first and only unit of its kind in corporate Jamaica.

The Consultations side of the ECC operates on Ombuds principles. This means that the aim is to resolve conflict at the lowest level, no identifying information is shared unless the employee gives express permission to do so in order to resolve an issue, and all case notes are destroyed once a case is no longer active. Employees may access the service via telephone, or in person through scheduled visits to the office. A toll-free number is available for staff outside Kingston.

The ECC has engaged in a continuous outreach campaign, resulting in usage of the office by end November 2004 of 8.4%, 2% above the highest expected annual usage of an established Ombuds office by international standards (which is 3-6% per annum). The average expected annual usage of an established Ombuds office by international standards is 3-6% per annum. In the last quarter, more than 80% of employees who used the service readily revealed their identity and location, again indicating a high level of confidence in the service (international standard is 40%).

The ECC collaborated extensively with the training centre in the delivery of a programme on Effective Coaching, designed to provide an opportunity for leaders to hone their skills and develop confidence to coach more effectively. The ECC involvement cemented the concept of coaching with the "head and heart" and added value to the relationship aspect of the coaching.

In April, we rolled out an Employee Communication Policy (ECP). The Managing Director's Round Table (MDRT) and the Managing Director's monthly e-mail were also introduced. MDRT meetings, between the MD and staff members below supervisory level, chosen by their peers, based on anecdotal reports, have improved the quality of communication in the Bank.

In 2005, Employee Communications will focus on employee branding, in collaboration with HR, and further improvement of internal communication channels. The Consultations side of the unit will begin the use of ACT!, a computer programme which allows mining of non-identifying information that can be used to detect trends in employee issues and allow the Bank to identify strengths and improvement opportunities. The ECC will also move full stream ahead into its Leadership Development Programme, which was launched in the last quarter of this year, and introduce an intranet site for easier employee access.

Our Subsidiaries

...contribution to the Group's bottom line has increased steadily over the years accounting for 24.6% of profits this year.



HOW MUCH ARE YOU WORTH NOW?

NET WORTH \$4.5 million and growing with ScotiaInvest

Build Your Net Worth with ScotiaInvest

Scotia Insurance
Scotia Jamaica Life Insurance Company Limited

Invest in yourself
...and many happy returns!

 **Scotia Investments**
Scotia Jamaica Investment Management Limited



 **Scotia Jamaica Building Society**

REPORT TO SHAREHOLDERS

THE SCOTIA JAMAICA BUILDING SOCIETY (SJBS)

The financial year 2004 was a good one for SJBS, with growth reflected in all business lines during the period under review.

Deposits grew by \$394 million, due to a combination of efforts, including the repositioning of existing savings accounts, direct marketing, the introduction of a bridal registry service, and stability in the interest rate market.

The Share Accounts offered by SJBS were repositioned and rebranded, and are now being promoted under the product names Scotia Achiever and Scotia Optimum. Customers are encouraged to use these accounts to save towards lifelong goals, including homeownership and advanced education, while benefiting from attractive interest rates. Additionally, customers with any of these accounts now have the opportunity of qualifying for an educational grant as well as enjoying discounts on hardware and building supplies at participating merchants.

SJBS rolled out its bridal registry service early this year - Scotia Bridal. Brides and grooms have responded favourably to this service and there has been steady growth in savings balances.

The regional business development team, which was introduced last year to foster closer relations with customers on the ground, has been successful, as reflected in the improved performance of all key indicators.

The mortgage base ended the year with portfolio growth of \$431 million. During the fiscal year, the

society relaunched its switch programme, offering the switch-over rate of 13.375% annually to individuals with residential mortgages held at other financial institutions. This rate is fixed for the first two years of the mortgage and, SJBS absorbs 50% of the standard switch fees.

In recognising that future homeowners require expert guidance in making plans to achieve homeownership, SJBS hosted four homeowner's seminars under the theme 'Buying vs. Building Your Home... Which One is Right For You?' These island-wide seminars showed a steady increase in the number of attendees over time.

In 2004, SJBS launched the Home Builder Loan programme, a staged advanced construction facility targeting borrowers who wish to build their own homes. The demand for this product is growing steadily, as individuals who own land see this product as a more cost-effective approach towards realizing their dream of home ownership.

The Scotia Jamaica Building Society responded to the devastation caused by Hurricane Ivan by granting mortgage holders a three-month moratorium on payments upon request. The Society also supported the reconstruction initiative rolled out by the National Housing Trust (NHT) to assist homeowners who experienced damage from Hurricane Ivan.

The year 2004 is The Society's 10th year of service, a decade of meaningful contribution to nation building. During the period, the society introduced many operations, revolutionary programmes,



including the Graduate Mortgage Plan, the First Time Homeowners Programme; and 'The First Three are Free' (three months payment-free) mortgage campaign. SJBS will continue to strive for excellence in assisting Jamaicans to become homeowners and save towards their goals.

SJBS FINANCIAL HIGHLIGHTS

	\$Millions 2004	\$Millions 2003
Total mortgages, net of provisions	3,170	2,739
Government securities purchased under resale agreements	1,401	1,140
Investments	727	744
Deposits	3,670	3,276
Shareholders' Equity	1,800	1,501
Total Assets	5,971	5,379
Net Profit After Tax	300	312
Return on Average Equity (%)	17.62	23.00



REPORT TO SHAREHOLDERS

SCOTIA JAMAICA GENERAL INSURANCE BROKERS LIMITED (SJGIB)

The SJGIB was officially launched as a brokerage operation two years ago and the company reorganized in 2004 in an effort to achieve greater market penetration and profitability. Although we experienced growth in gross premium written, the revenue stream from commissions was insufficient to offset the high cost structure of the company and provide a reasonable margin of profit.

Against this background and the labour intensive nature of delivering this service through the branch network, the decision was taken to scale down the operations of Scotia Jamaica General Insurance Brokers Limited (SJGIB). All sales and marketing activities were therefore discontinued at the end of the third quarter and the focus of SJGIB shifted to scaling down operations and servicing existing business.

SJGIB FINANCIAL HIGHLIGHTS

	\$Millions 2004	\$Millions 2003
Investments	43	78
Shareholders' Equity	37	49
Total Assets	81	133
Net (Loss) / Profit After Tax	(12)	4
Return on Average Equity (%)	(29)	9

REPORT TO SHAREHOLDERS

SCOTIA JAMAICA INVESTMENT MANAGEMENT LIMITED (SJIM)

The year 2004 was particularly challenging for Scotia Investments, as we worked diligently towards meeting our objectives, while facing major operational changes and a product launch. We tested and implemented a new investment management system and embarked on a full launch of Scotiabank's mutual funds.

The company was successful in meeting its financial objectives, realizing profit after tax of \$244 million for the year ended October 31, 2004. This represents an increase of \$26 million or 12% over 2003.

Over the last year, Scotia Investments saw a 50% increase in non-interest revenue from securities trading activities. Notwithstanding the negative impact of declining interest rates, diminishing spreads and the reallocation of resources to the system's implementation project, the client portfolio increased by 31%, from \$18.5 billion to \$24.2 billion. With the new system in place for 2005, the emphasis will be on proactive business development through the network of licensed financial advisors in the field.

Scotia Investments' Pension and Asset Management Unit enjoyed good success in 2004 in terms of growth in revenue and assets under management. Revenue grew by more than 30%. Assets under management also grew, moving from J\$12.04 billion to J\$17.5 billion, a 46% increase.

SJIM's trust services continued to grow with the establishment of three new major escrow accounts. Throughout the year, the trust services provided were geared towards corporate accounts, and this drive will continue into the new year.

In 2005, SJIM will seek to make its offerings more accessible to customers through increased awareness of its investment products and services and further expansion of its network of financial advisors. With increased visibility and positioning in the market, we will be poised to make customers financially better off, tailoring solutions to meet varying client needs. We therefore look forward to expanding our line of investment products with the introduction of a Jamaican Dollar Money Market fund, which will facilitate access to smaller investors who are interested in growing their wealth over time.

SJIM FINANCIAL HIGHLIGHTS

	\$Millions 2004	\$Millions 2003
Government securities purchased under resale agreements	18,784	18,841
Investment securities	719	541
Shareholders' Equity	1,101	840
Total Assets	20,733	21,569
Net Profit After Tax	244	218
Return on Average Equity (%)	23.90	29.86

REPORT TO SHAREHOLDERS

SCOTIA JAMAICA LIFE INSURANCE COMPANY LIMITED (SJLIC)

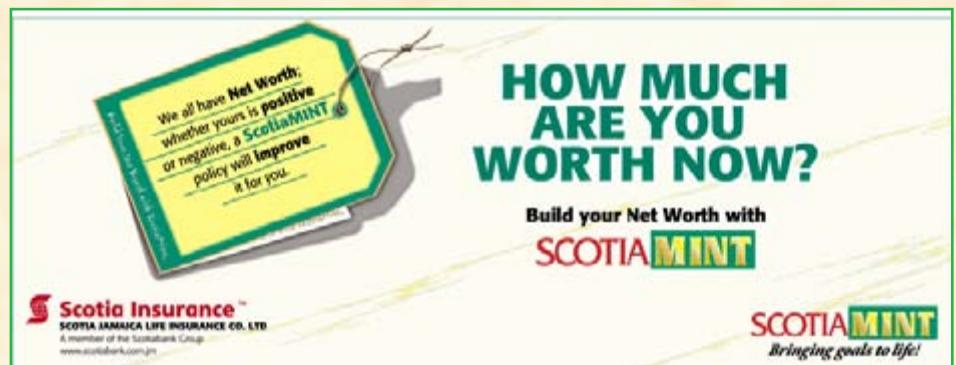
Scotia Jamaica Life Insurance Company Limited reported strong earnings for the year 2004, realising net income of \$937 million, an increase of 8% over 2003.

For the year ended October 31, 2004, the company sold 11,405 new ScotiaMINT policies while for Credit Insurance, a record high of 22,842 certificates were sold. This growth is an increase in the ScotiaMINT portfolio of 14%. The Creditor Life portfolio now comprises 33,238 certificates. Combined premium income for both products resulted in gross premium of more than \$4.2 billion.

SJLIC's Policyholders' Fund reflected significant growth, from \$12 billion in October 2003 to \$16.8 billion as at October 31, 2004. More significant growth was seen in the company's total assets, which grew by 42%, from \$13.6 billion in 2003 to \$19.2 billion in 2004.

During the second quarter of its fiscal year, SJLIC repositioned its flagship product, ScotiaMINT, under a new concept called Net Worth. The objective of the new positioning is to maintain a competitive edge and differentiate ScotiaMINT from similar plans in the market. We expect that with this new positioning and campaign, we will help customers to build positive net worth and achieve financial independence.

Over the next fiscal year, we will see some enhancements to the existing ScotiaMINT product and expand our product range, moving towards a truly multi-product organization. These developments will leverage our existing infrastructure to enhance revenues and profitability.



SJLIC FINANCIAL HIGHLIGHTS

	\$Millions 2004	\$Millions 2003
Government Securities Purchased under Resale Agreements	6,120	3,939
Investments	11,262	8,327
Shareholders' Equity	2,911	1,995
Policyholders' Fund	16,889	12,062
Total Assets	19,246	13,579
Net Profit After Tax	937	791
Return on Average Equity (%)	35	51
Return on Assets (%)	4.9	5.8
Number of ScotiaMINT Policies in force	52,349	44,984
Number of Credit Insurance Certificates	33,238	19,206

REPORT TO SHAREHOLDERS

MICRO ENTERPRISE FINANCING LIMITED (MEFL)

MEFL was initially set up to target economically active poor entrepreneurs, with a focus on women, at or below the poverty line. These women often operate home-based economic activities in the urban areas of Kingston. The economically active poor are defined as disadvantaged individuals with existing economic activities and skills, rather than those with no business experience. Loans are given to clients without the requirement of collateral and the peer lending methodology has been adopted successfully.

MEFL is achieving its mandate by offering clients access to credit, business development training and savings facilities. Since the company started lending in November 2002, a total of J\$48,847,000 in loans has been disbursed. At the end of October 2004, the company had 944 active clients, 77% of whom are females (mainly single mothers who are the sole bread winners for their families).

Clients of MEFL are allowed to open savings accounts at Scotiabank under a special savings plan. We now have combined savings in excess of J\$3,643,715, with 75% of clients in retail businesses, 11.65% in manufacturing and production, 12.39% in service industry and 0.95% in agriculture. The organization presently has a staff complement of 18, eight of whom are field officers.

This organization continues to contribute to the development of micro business in Jamaica.



Committed to our Community

*"Scotiabank's success depends on the growth
and success of our communities"*

- William E. Clarke

President

*Scotiabank Jamaica Foundation Scholar
Daniel Thomas (Ardenne High School)*

REPORT TO SHAREHOLDERS

CORPORATE RESPONSIBILITY

Scotiabank believes that contributing to the well being of communities is an important part of who we are and what we do. In 2004, through donations, sponsorships and working with local communities, Scotiabank and the Scotiabank Jamaica Foundation contributed to numerous organizations and causes across Jamaica.

THE BANK

In 2004, Scotiabank donated more than \$40 million to church outreach activities, civic groups, environmental and sporting programmes. Also, a significant amount of our assistance went to school projects and programmes benefiting our children. More than 60 schools, from the basic to tertiary levels, received donations to purchase furniture, repair classrooms destroyed by fire, construct new classrooms, canteens and playgrounds, and acquire school buses and computers.

In response to the devastating effects of Hurricane Ivan, The Bank of Nova Scotia, Canada provided Scotiabank Jamaica with J\$15.5 million to assist with the rehabilitation of primary schools. The Office of National Reconstruction helped select the schools to receive funds in the parishes of Clarendon, Manchester, St. Elizabeth and St. Ann, and Scotiabank appointed contractors to undertake the repairs.

Major Programmes and Staff Involvement

For National Labour Day, Scotiabank responded to the call to focus on road safety for children. We launched an islandwide programme, which highlighted the role of the school crossing warden and gave support to the police traffic department's

road safety program for schools. Through this programme Scotiabank provided branded uniforms and signs for the 200 wardens in every parish and sponsored the road safety mascot, Captain Cross, at a cost of approximately \$2 million. On the official launch date in October, staff members sensitized children about road safety and assisted them at several pedestrian crossings islandwide.

Teachers' Day, Wednesday, May 5, provided another opportunity for staff members to demonstrate the Bank's commitment to education. One hundred and seventy Scotiabank staff members were deployed as volunteer substitute teachers in 116 schools, from the kindergarten to the tertiary level, islandwide. Scotiabankers taught a wide range of subjects covering the arts, sciences, business education, physical education and life skills.

The Scotiabank Kiddy Cricket programme was expanded to include an additional 100 primary schools islandwide, bringing the total number of schools in the programme to 200. A Scotiabank Kiddy Cricket skills competition in schools was added to the programme and the winners of this competition will parade their skills at Sabina Park during the international games. Scotiabank staff members continued to volunteer as cricket coaches.

Our annual Take Our Kids To Work Day was again successfully staged in July. Scotiabank staff and 114 of their children participated in the event, which allowed the children to familiarize themselves with the duties of their parents and guardians.

Health Care

Several donations were made in support of projects in the health sector. The Bank donated a Tonometer to the Kingston Public Hospital. This machine reduces to seconds the time spent on measuring pressure in the eye and assists in monitoring glaucoma. We also contributed to the annual Sigma Run in aid of leukemia care, the construction of a dental clinic in Portmore by the Lions Club, assisted a number of individuals to gain medical treatment overseas, and supported an HIV-AIDS awareness campaign. Also, as part of our 115th anniversary celebrations, we hosted free mini health fairs for senior citizens in all our branches, teaming up with the Heart Foundation of Jamaica, several Lions Clubs, the National Health Fund, the Jamaica Cancer Society and some of our customers who are health care providers.

International Centre for Environmental and Nuclear Sciences

We donated \$25 million to The University of the West Indies, payable over five years, to support a professorial research fellow at the International Centre for Environmental and Nuclear Sciences (ICENS), Mona. The grant will strengthen ICENS' capability to examine essential and potentially harmful substances in the Jamaican diet.

Scotiabank again hosted the launch of the Salvation Army's Christmas Kettle Appeal to provide meals and care for the homeless and indigent. This marks our third year of Involvement. We donated \$425,000.



REPORT TO SHAREHOLDERS

SCOTIABANK JAMAICA FOUNDATION

The Scotiabank Jamaica Foundation continued to distinguish itself as a major team player in nation building, continuing to focus on the health and education sectors and community projects. During the year, donations totaled more than \$69.4 million.

EDUCATION

In March, we contributed \$9.6 million to the Northern Caribbean University's Endowment Fund and Computer Community Outreach Programme to make tertiary education accessible to the needy and extend computer literacy to all members of the community.

Our interest in improving literacy levels in our society was further demonstrated through the donation of \$2.5 million to Point Hill Diagnostic Reading Centre to fund a special education teacher for the project, with an additional sum of \$2.5 million pledged for 2005. Hillel Academy Building Fund received \$2.5 million to facilitate the construction of classrooms and will receive an additional \$2.5 million in 2005.



Top Boy, Xavier Francis and Top Girl, Christina Thompson pose with William Clarke, President & CEO, Scotiabank (left) and Marie Powell, Executive Director, Scotiabank Jamaica Foundation (right) at the 2004 GSAT Luncheon

For the fifth consecutive year, we have maintained a breakfast programme at the Holy Family Infant and Primary School.

Scholarships

The Foundation awarded 224 scholarships and bursaries, totaling \$17.6 million to students attending universities, community colleges and

high schools islandwide. This year, we increased the number of scholarships to students who sat the Grade Six Achievement Test. Our first group of scholars under the programme received outstanding results in their CXC examinations with the GSAT Top Boy for 1999, Daniel Thomas, receiving distinctions in all 10 subjects which he sat.

We introduced a new award, The Annual Award for Pediatrics at the University Hospital of the West Indies, for the medical student with the best overall performance in final examinations. The award carries a value of US\$2,500.

HEALTH

The Health Sector remained a major beneficiary of the Foundation. We provided a state-of-the-art laparoscope, valued at \$3.8 million, to the Spanish Town Hospital for the treatment of symptomatic gallstone disease. This is the only such machine in the parish. More than \$500,000 was also spent to acquire an incubator and parts for the Bustamante Children's Hospital and a photocopier for The Heart Foundation of Jamaica. These pieces of equipment will enhance the organizations' capabilities and efficiencies in providing better health care.

Another \$1.5 million was donated to restore the May Pen Cemetery, which is a facility that serves the inner city communities of downtown. We also funded meals for more than 30 residents of Cluster F at The Golden Age Home at a cost of more than \$1 million.

The Foundation maintained its support for projects at the Cornwall Regional, Kingston Public, and UWI hospitals, the Jamaica Cancer Society's Breast Cancer screening programme and donated needed equipment to increase its support for community projects.

Accident and Emergency Care

We started expansion work on the Scotiabank Centennial Accident and Emergency Unit at the University Hospital of the West Indies, at a cost of \$32 million. Completion is expected in early 2005.

In the meantime, we continued our maintenance of the facility through our annual contribution of \$1 million.



Scotiabank Centennial Accident and Emergency Unit at UWI hospital, now being expanded.

Dialysis Care

Dialysis care is still an area of focus for the Foundation. We donate \$9.2 million annually for drugs, supplies and maintenance of equipment at the Renal Unit at the Kingston Public and Scotiabank Jamaica Foundation Haemodialysis Center at the Cornwall Regional Hospitals.

Breast Cancer Awareness

The Foundation continued its maintenance of the Jamaica Cancer Society's Mobile Mammography unit, a follow-up to the donation of the unit in 2000 at a cost of \$10.5 million. We accommodated the unit at our branches to make breast cancer screening available to women in rural Jamaica, and encouraged staff and customers to donate and participate in Jamaica Cancer Society programmes/activities throughout the year.

Community Projects

To support efforts to improve our society, the Foundation committed \$5 million to support the funding of the secretariat of the Hands Across Jamaica For Righteousness - an initiative by the Governor General and a group of church and community leaders geared toward restoring Jamaica's moral and spiritual values.

RISK MANAGEMENT

OVERVIEW

The Scotiabank risk management framework has been developed to address the diversity of the Bank's business activities. This framework is supported by a robust risk management culture and a strong commitment to active management of risks by both executive and business line management. Scotiabank's primary risk management objectives are to protect and ensure the safety and stability of customers' funds that are placed in our fiduciary care and to create and protect shareholder value. Through our various business activities we are exposed to four major types of risks - credit, market, liquidity and operational.

The risk management framework is driven by the principles that are set out below; these principles are applied to all businesses and risk types.

- Board oversight - Risk strategies, policies and limits are subject to Board review and approval
- Diversification - Policies and limits are designed with a view to ensuring that risks are well diversified
- Assessment - processes are designed to ensure that risks are properly assessed at the transaction, customer and portfolio levels
- Review and Reporting - Risk profiles of individual customers and portfolios are subjected to ongoing review and reporting to executive management and the Board.
- Accountability - Business units are accountable for all risks and the related returns
- Audit Review - Individual risks and portfolios are subject to comprehensive internal audit review,

with independent reporting to the Audit Committee of the Board by the internal audit function.

The various processes within the Bank's risk management framework are designed to ensure that risks in the various business activities are properly identified, measured, assessed and controlled. Risk management strategies, policies and limits are then designed to ensure that the Bank's risk taking is consistent with its' business objectives and risk tolerance. Risks are managed within the limits established by the Board of Directors.

CREDIT RISK

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial contractual obligation. Credit risk arises both in the bank's direct lending operations and its funding and investment activities, where counterparties have repayment or other obligations to the Bank.

Scotiabank's credit risk is managed through strategies, policies and limits that are approved by the Board of Directors. These strategies include centralized credit processes, portfolio diversification, enhanced credit analysis and strong Board oversight.

Credit Processes

Scotiabank employs a highly centralized credit granting process that ensures all major lending decisions are referred to a Senior Credit Committee, or where appropriate, to a Loan Policy Committee. Credit proposals on major corporate and commercial accounts are submitted directly to the Credit Department by client relationship officers in the business lines. Credit specialists, who are independent of the business line, analyse the proposal. A risk rating system is used

to quantify and evaluate the risk, and determine whether the Bank is being adequately compensated, and the Board reviews and ratifies all major credits.

Once a credit proposal has been authorized, a company's financial condition is monitored by business line and Credit Department personnel for signs of deterioration, which could affect the borrower's ability to meet its obligations to the Bank. In addition, a full review and risk analysis of each client relationship is undertaken at least annually. Additional reviews are carried out more frequently in the case of higher risk credits.

Decisions on small and medium-sized commercial credits are made utilizing a centralized loan underwriting system, which uses a computerized scoring model. This process is significantly more efficient than the previous manual scoring system, thus the turnaround time is significantly improved.

The Risk Management capabilities in retail credit were enhanced during the year with the introduction of our Interactive Application Process (IAP). This system allows automated retail credit-scoring, thus improving the quality of our loan underwriting and the decision making processes. Retail loan portfolios continue to be reviewed on a monthly basis for emerging trends in credit quality in addition to regularly subjected analytical reviews to confirm the validity of the parameters used in the scoring models.

MARKET RISK

Market risk refers to the risk of loss due to unfavorable changes in interest rates, foreign exchange rates, market prices and volatilities that result from the Bank's funding, investment and trading activities. Market risk is an integral part of the

RISK MANAGEMENT CONT'D

Bank's lending and deposit taking activities, as well as its funding, trading and investment activities. Market risk exposures are managed through key policies, standards and limits established by the Board of Directors, which are formally reviewed and approved by the Board at least annually.

Within the policy and limit framework established by the Board, the Asset and Liability Committee (ALCO) provides senior management oversight of the Bank's market risk exposure. The ALCO is primarily focused on asset liability management, which includes lending, funding, trading and investment activities. All market risk limits are reviewed at least annually. The key sources of market risk are described below.

INTEREST RATE RISK

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The Bank's lending, funding and investment activities give rise to interest rate risk. For these activities, the impact of changes in interest rates is reflected in net interest income.

FOREIGN EXCHANGE RISK

Foreign exchange risk arises from trading activities and foreign currency operations. In its trading activities, the Bank buys and sells currencies in the spot market for its customers. Foreign exchange gains and losses from these activities are included in other income.

LIQUIDITY RISK

Liquidity refers to the ability to meet financial obligations and to fund the growth of assets. Liquidity risk is the risk of not being able to obtain funds at a reasonable price within a time period to meet obligations as they come due.

Liquidity management includes estimating and satisfying the liquidity requirements of the Bank in the most cost effective way.

The Board of Directors approves the Bank's liquidity and funding management policies and establishes limits to control the risk. The Bank assesses the adequacy of its liquidity position by analyzing its current liquidity position, present and anticipated funding requirements, and alternative sources of funds. Future cash inflows and outflows are forecasted on a daily basis.

The Bank maintains large holdings of liquid assets to support its operations. These liquid assets can be sold or pledged to meet the Bank's obligations. As at October 31, 2004, liquid assets stood at \$65 billion, which represents 44% of total assets.

ASSET LIABILITY MANAGEMENT

Scotiabank's Asset Liability Management (ALM) Programme focuses on measuring, managing and controlling the market and liquidity risks arising in the Bank's lending, funding and investing activities. Scotiabank's ALM process is designed to maintain a balance between enhancing interest revenue and maintaining strong liquidity within a framework of sound and prudent practices. The Asset and Liability Committee (ALCO) is responsible for supervising the ALM program. The Committee meets at least once monthly to review risk, evaluate performance and provide strategic direction.

Management of Interest Rate Risk

The ALCO evaluates interest rate risk exposure arising from the Bank's funding and investment activities at least monthly. This supervisory role is supported by risk management processes, which include management and gap analysis. Gap analysis is used by

the Bank to assess the interest rate sensitivity of the Balance sheet. Under gap analysis, interest rate sensitive assets and liabilities are assigned to predefined time periods on the basis of expected re-pricing dates. A liability gap occurs when more liabilities than assets are subject to interest rate changes during a given time period. Conversely, an asset sensitive position arises when more assets than liabilities are subject to rate changes.

Management of Foreign Currency Risk

Foreign currency risk arising from the Bank's foreign currency trading is subject to Board approved limits. The ALCO reviews and manages these exposures.

Management of Liquidity Risk

Management of Liquidity Risk arises from fluctuations in cash flows. The objectives of the liquidity management processes are to ensure that the Bank honors all of its financial commitments as they fall due. To fulfill this objective, the Bank measures and forecasts its cash commitments, maintains diversified sources of funding, sets prudent limits, and ensures immediate access to liquid assets. Maintaining a strong credit rating also ensures timely access to borrowing on favorable rates and terms. The ALCO evaluates the Bank's liquidity profile on a monthly basis or more frequently as required.

FUNDING

Scotiabank relies on a broad range of funding sources and applies prudent limits to avoid undue concentration. The principal sources of funding are capital, core deposits from retail and commercial customers, and wholesale deposits raised in the interbank and commercial markets. Scotiabank's extensive branch network provides a strong foundation for diversifying its funding and raising the level of core deposits. The Bank benefits

RISK MANAGEMENT CONT'D

considerably from its substantial core savings deposit funding, which now represent 60% of total funding. In 2004, core savings deposits continued to grow, reaching \$58 billion as at October 31.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human behavior and systems, or from external events. Operational risk is inherent in each of the Bank's business and key support activities, and can manifest itself in various ways. These include breakdowns, errors, business interruptions and inappropriate behavior of employees, and can potentially result in financial losses and other damage to the Bank. Operational losses can be categorized into the following loss types:

- Errors or breakdown in transaction processing
- Legal liability arising from failure to meet legislative or contractual requirements
- Loss due to fraud, theft and unauthorized activities

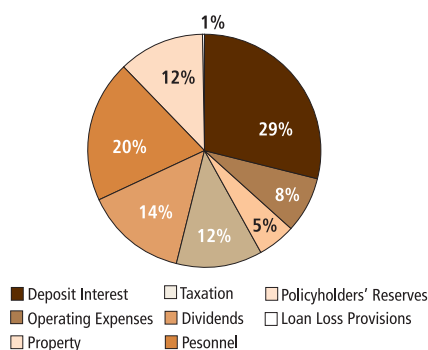
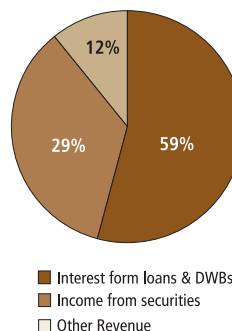
- Loss or damage to assets due to natural disasters, acts of terrorism or other accidents.

Operational risks are managed and controlled within the individual business lines and a wide variety of checks and balances to address operational risks have been developed as an important part of our risk management culture. They include the establishment of risk management policies, a rigorous planning process, regular organizational review, thorough enforcement of the Bank's Guidelines for Business Conduct, and clearly defined and documented approval authorities.

Regular audits conducted by an experienced independent internal audit department includes comprehensive reviews of the design and operation of internal control systems in all business and support groups, new products and systems and the reliability and integrity of Data Processing operations.

As part of our strong control culture, units are also subject to a standard, documented compliance programme.

The elements of which are, regulatory awareness, regulatory risk assessment, compliance monitoring, non-compliance and problem resolution and compliance reporting. Compliance matrices, which outline the various legislative and regulatory requirements for each unit, have been developed. The Bank's Compliance Officer manages the Compliance programme.

Allocation of Revenue 2004**Source of Revenue 2004**

ECONOMIC REVIEW

OVERVIEW

The macroeconomic environment for fiscal year 2003/04 has been challenging, but has shown continuous improvement. The period has been characterized by a relatively stable dollar, economic growth and declining interest rates. A key contributor to this outcome has been the government's commitment to reigning in the spiralling stock of debt, which registered 140.04% of GDP at the end of the 2003/04 budget year.

The government's debt management strategy of maintaining a prudent debt structure, remains unchanged since its first articulation in 1998, however the emphasis has shifted over the past year to containing the stock of high-cost domestic debt. Increasing the percentage of fixed rate debt in its portfolio to a target of 60%, coupled with a deliberate lowering of interest rates to roughly 15%, have been the main strategies that have been articulated in the Ministry Paper Debt Management Strategy 2003-4 to achieve the goal of lower high cost debt. Although, the stock of domestic debt increased in 2004 from January to September by 2.5%, as a percent of the total debt stock, it declined from 62.8% in January to 59.3% in September.

A programme of expanding revenue collection has been put in place to build on the gains of the tax reforms implemented in the previous fiscal year. Coupled with the revenue generation measures is expenditure control, the

highlight of which was the Memorandum of Understanding between the government and the major trade union groups across the public sector. This MOU included a two-year wage freeze at 3% p.a. and based on Government estimates is expected to result in savings of 1% of GDP, annually.

Significant foreign direct investment in the telecommunications, mining and tourism sectors have also helped to fuel Year To Date GDP growth of 1.8%. Business and Consumer confidence indices have continued to improve, although there was a slight downturn in the business confidence index in the 3rd quarter of this year, presumably due to profit setbacks from a very strong 2nd quarter. It is believed that lower interest rates and the stabilization of the dollar are drivers of the high level of optimism, with more businesses reporting that it is now a good time to expand their productive capacity.

The lower interest rate environment has proven to be a positive economic stimulus, with an expansion in credit at the end of June of 21.9% over the same period last year.

Jamaica's economy experienced a major shock with the passage of Hurricane Ivan in September 2004. Estimates of the damage caused by the hurricane are set at \$36 billion, representing damages to assets and indirect losses due to production losses and increased operating

expenses. Nonetheless, the government has reiterated its commitment to achieving its fiscal target for the current fiscal year, financing the reconstruction efforts through grants, reallocation of resources and private sector donations.

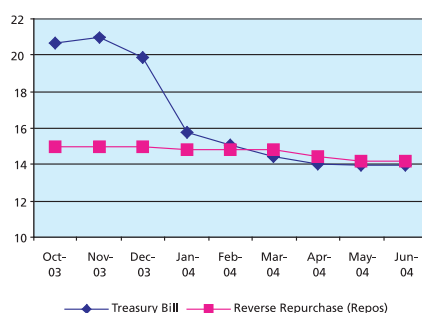
The Financial Sector

At the end of September 2004, total assets of commercial banks amounted to J\$342 billion, representing an increase of 11% over the previous year. Deposits at commercial banks stood at J\$223 billion at the end of September, representing an increase of 14.69% over the previous year.

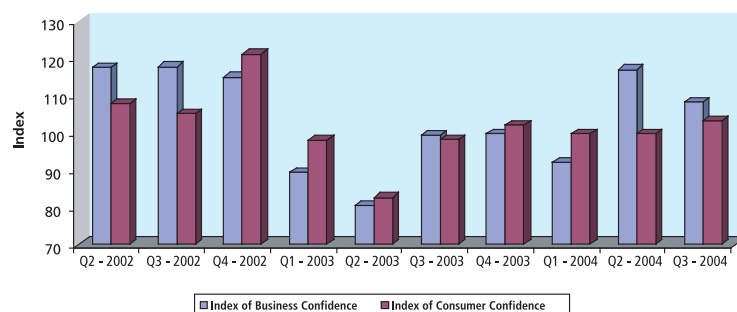
Loans and advances made at building societies at the end of August 2004 stood at \$26.9 billion, representing an increase of 16.8% over the previous year.

The Jamaica Stock Exchange Index as at the end of October, increased by 72.46% over the previous year, having been driven by good performance from all major stocks. Over the past year, the stock price of 37 companies advanced, one declined and one remained unchanged. The average price appreciation for the year was 113.2%. The volume and value of the stocks traded over the year increased by 24.64% and 40.30%, respectively. This reflects the liquidity within the economy and expectations of profitability within the private sector.

Interest Rates - Government Instruments



Business & Consumer Confidence



ECONOMIC REVIEW CONT'D

Outlook

The World Investment Report 2004 shows that Jamaica's inward Foreign Direct Investment (FDI) stock, as a percentage of GDP in 2003, was 62.4%, compared to an average of 36.8% for the Latin American and Caribbean region and 22.9% globally. This trend is expected to continue with ongoing investment in the tourism, mining and telecommunication sectors.

Tourism is expected to continue to grow based on visitor arrivals, which for the period of September 03 to August 04, increased by 7.9% (compared with the same period in 2003) to just over 1.43 million landed passengers.

The Mining and Quarrying sector expanded by 4% during the first nine months of 2004. In the final quarter of the calendar year, real GDP for this sector is expected to increase by 1.3% as it returns to pre-Hurricane Ivan's capacity utilization levels.

The outlook for the agricultural sector for the remainder of the fiscal year is less than positive as the major sugar, banana and vegetable crops were destroyed by the flood rains from Hurricane Charley and the winds from Hurricane Ivan. It is however expected that domestic food production will rebound in the next 12-18 months.

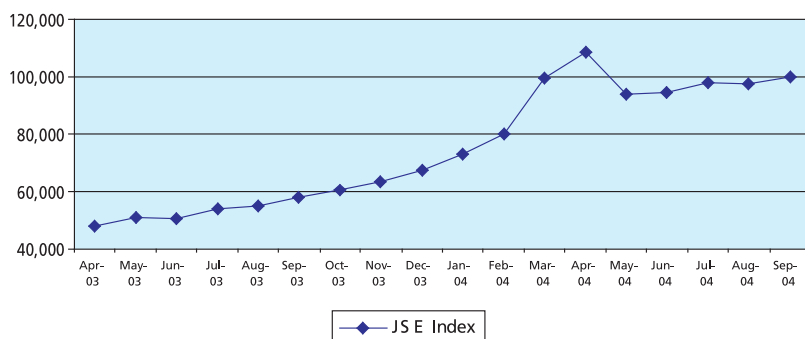
Crime and violence continue to have an adverse impact on the growth potential for the economy and the level of FDI despite recent successes

Finally, the government's major challenge over the next fiscal year will be to reign in the fiscal deficit and contain the debt burden, while encouraging local and foreign investment through a stable exchange rate, a sustained low interest rate environment and moderate inflation. The below investment grade ratings assigned to Jamaican Government debt by

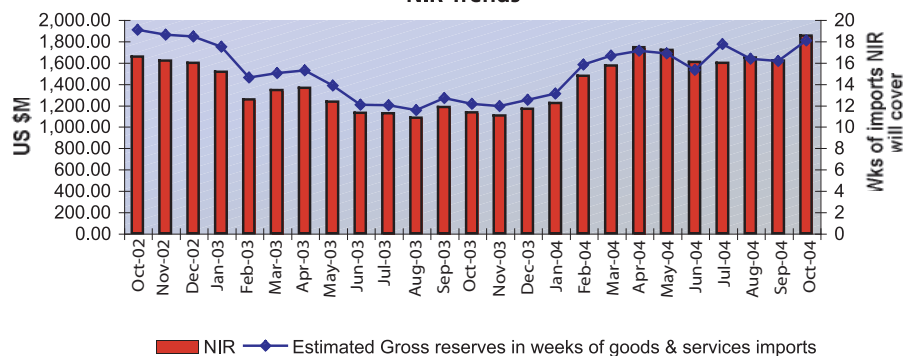
international rating agencies have increased.

The macroeconomic policies over the last fiscal year, if sustained in the absence of any more external shocks, could put the country on a better footing to achieve the objective of reducing the country's debt burden.

JSE Index



NIR Trends



SHAREHOLDINGS

Shareholdings of Directors and Connected Persons in The Bank of Nova Scotia Jamaica Limited as at October 31, 2004*

	Units
Anthony C. Allen	2,376
Robert Pitfield	4,635
William E. Clarke, CD	21,490
Anthony Chang	1,637
Professor Celia D.C. Christie	10,000
Dr. Jean A. Dixon	22,875
Muna M. Issa	9,993
Minna Israel	110,340
Dr. Wayne St. A. Henry	4,000
Charles Johnston	1,164
Warren McDonald	5,000
Hon. Mayer M. Matalon, OJ	50,000
William A. McConnell, CD	5,000
Dr. Herbert J. Thompson	14,820
Richard E. Waugh	NIL

*Inclusive of shares in Jamaica Central Securities Depository

Shareholders Holding the Ten Largest Blocks of Shares in The Bank of Nova Scotia Jamaica Limited as at October 31, 2004

	Units
1. The Bank of Nova Scotia, Toronto, Canada	1,024,531,200
2. Scojampen Limited	40,526,450
3. Life of Jamaica Pooled Equity Fund No. 1	27,077,965
4. Scotia Jamaica Investment Management Limited	
- A/C 560	22,160,274
5. Guardian Life Limited	17,020,949
6. National Insurance Fund	12,820,720
7. Capital & Credit Merchant Bank Limited	11,842,522
8. Investment Nominees Limited	
- A/C Lascelles Henriques S/A Fund	7,576,998
9. Manchester Pension Trust Fund	6,508,722
10. West Indies Trust Co. Ltd. A/C WT89	6,491,760

Shareholdings of Senior Management Officers of The Bank of Nova Scotia Jamaica Limited as at October 31, 2004*

	Units
William E. Clarke, CD	21,490
Egerton Anderson	38,537
Sharon Colquhoun	NIL
Joyce Beadle-DeSousa	NIL
Minna A. Israel	110,340
Bridget Lewis	42,500
Suzette McLeod	40,000
David Noël	38,825
Yvonne Pandohie	NIL
Rosemarie Pilliner	106,269
H. Wayne Powell	589,912
- Yanissa Investments	72,224
Marie Powell	20,000
Peter Reid	200,000
Janice V. Robinson	10,000
Jacqueline Sharp	30,000
Audrey Tugwell Henry	6,233
Michael Jones	48,025
Donald O. Williams	68,679
- Eileen H. Williams	75,851
Gladstone Whitelocke	2,000
- Elaine Whitelocke	NIL
Stacie-Ann Wright	5,732
Kevin J. Workman	NIL

*Inclusive of shares in Jamaica Central Securities Depository

25 November 2004

To the Members of
The Bank of Nova Scotia Jamaica Limited
Kingston

Auditors' Report

We have audited the financial statements set out on pages 33 to 85, and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the Group and the Bank as at 31 October 2004 and of the results of operations, changes in equity and cash flows of the Group and the Bank for the year then ended, and have been prepared in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act applicable to banking companies.

Chartered Accountants
Kingston, Jamaica

E.L. McDonald R.L. Downer M.G. Rochester P.W. Pearson E.A. Crawford D.V. Brown J.W. Lee
C.D.W. Maxwell P.E. Williams G.L. Lewars L.A. McKnight L.E. Augier A.K. Jain B.L. Scott B.J. Denning



STATEMENT OF CONSOLIDATED REVENUE AND EXPENSES

Year ended 31 October 2004



CONSOLIDATED BALANCE SHEET

31 October 2004



CONSOLIDATED BALANCE SHEET (CONTINUED)

31 October 2004



STATEMENT OF CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

Year ended 31 October 2004



STATEMENT OF CONSOLIDATED CASH FLOWS

Year ended 31 October 2004



STATEMENT OF CONSOLIDATED CASH FLOWS (CONTINUED)

Year ended 31 October 2004

37)



STATEMENT OF REVENUE AND EXPENSES

Year ended 31 October 2004



BALANCE SHEET

31 October 2004





BALANCE SHEET (CONTINUED)

31 October 2004



STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended 31 October 2004

STATEMENT OF CASH FLOWS

Year ended 31 October 2004



STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 October 2004





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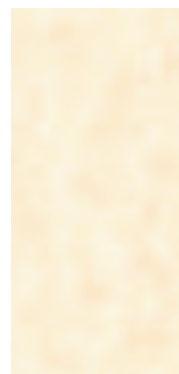
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GLOSSARY

Assets held in Trust

Assets administered by the Bank and its subsidiaries, which are beneficially owned by customers and are therefore not reported on the consolidated balance sheet. Services provided in respect of these assets are administrative in nature, such as security custody, trusteeship, stock transfer and personal trust services.

Bankers' Acceptances (BAs)

A type of negotiable, short-term debt security, generally issued by a non-financial entity and guaranteed for a fee, by the issuer's bank.

Basis Point

A unit of measure defined as one-hundredth of one per cent.

Capital

Consists of common shareholders' equity and preferred shareholders' equity. Capital funds support asset growth, provide against loan losses, and protect the Bank's depositors.

General Provision

Established against the loan portfolio in the Bank's business lines when the Bank's assessment of economic trends suggests that losses may occur, but that such losses cannot yet be determined on an item-by-item basis.

Guarantees & Letters of Credit

Assurances given by the Bank that it will make payments on behalf of customers to third parties in the event that the customers default. The Bank normally has recourse against its customers for funds advanced under such arrangements.

Net Interest Margin

Net interest income, expressed as a percentage of average total assets.

Non-Performing Loans

Loans on which the Bank no longer has reasonable assurance as to the timely collection of interest and principal, or where a contractual payment is past due a prescribed period. Interest is not accrued on non-performing loans.

Off-Balance Sheet Instruments

These instruments are comprised of indirect credit commitments, which include the Bank's commitments to extend credit facilities to its customers which are not yet drawn.

Productivity Ratio

Productivity ratio measures the efficiency with which the Bank incurs expenses to generate revenue. It expresses non-interest expenses as a percentage of the sum of net interest income and other income. A lower ratio indicates improved productivity.

Provisions for Loan Losses

An allowance set aside from income, which, in management's opinion, is adequate to absorb all credit-related losses in its portfolio of both on and off-balance sheet items. It is decreased by write-offs, realized losses and recoveries, and increased by new provisions for loan losses. The provisions for loan losses is deducted from the related asset category on the balance sheet.

Repos

Repos is the short form for "obligations related to assets sold under repurchase agreements" - a short-term transaction whereby the Bank sells securities to a customer and simultaneously agrees to repurchase the securities on a specified date and at a specified price. It is a form of short-term funding.

GLOSSARY

Return on Equity (ROE)

Net income, less preferred share dividends, expressed as a percentage of average common shareholders equity.

Reverse Repos

Reverse Repos is the short form for "assets purchased under resale agreements" - a short-term transaction whereby the Bank purchases securities from a customer and simultaneously agrees to resell the securities on a specified date and at a specified price. It is a form of short-term collateralized lending.

Risk-Adjusted Assets

Calculated using weights based on the degree of credit risk for each class of counterparty. Off-balance sheet instruments are converted to balance sheet equivalents, using specified conversion factors, before the appropriate risk weights are applied.

Tier 1, Tier 2 Capital Ratios

These are ratios of capital to risk-adjusted assets, as stipulated by the Bank of Jamaica, based on guidelines developed under the auspices of the Bank for International Settlements (BIS). Tier 1 capital, the more permanent, consists primarily of common shareholders' equity plus non-cumulative preferred shares, and certain designated retained earnings which by statute may not be distributed or reduced without permission from the Bank of Jamaica. Tier 2 is mainly the general provision.

BOARD OF DIRECTORS OF THE BANK

as at 31 October 2004



R. H. Pitfield
Chairman

Mr. Robert H. Pitfield is the Executive Vice President, International Banking, of the parent Company, The Bank of Nova Scotia, Canada and is responsible for all of the Bank's retail and commercial operations outside of Canada & USA. He was appointed a Director and Chairman of The Bank of Nova Scotia Jamaica Limited on May 22, 2003 and is a member of the Executive and Pension Committees.



Hon. M. M. Matalon, O.J.
Deputy Chairman

Hon. Mayer Matalon is the Deputy Chairman of the I.C.D. Group Limited. He is also the Deputy Chairman of the Board of the Bank and Chairman of the Executive Committee of the Board. Mr. Matalon has been a director of the Bank since 1966.

W. E. Clarke, C.D.

Mr. William Clarke, President and CEO of the Bank, was appointed to the Board on May 18, 1995. He is a member of the Executive and Pension Committees of the Board and is also a Director of Scotia Jamaica Investment Management Limited, The Scotia Jamaica Building Society, Scotia Jamaica Life Insurance Company Limited, Scotia Jamaica General Insurance Brokers Limited, Scotia Financial Services Limited and Scotiabank Jamaica Foundation.



A. V. Chang

Mr. Anthony Chang is the Managing Director of T. Geddes Grant Limited. He was appointed to the Board of the Bank on February 5, 2001 and is a member of the Human Resources and Pension Committees of the Board. Mr. Chang is also a director of Scotia Jamaica Life Insurance Company Limited.



A. C. Allen, OBE

Mr. Anthony C. Allen is the Managing Director of Scotiabank (Bahamas) Limited. He was appointed a Director of The Bank of Nova Scotia Jamaica Limited on August 28, 2003.



W. A. McDonald

Mr. Warren McDonald is the Managing Director and Chief Executive Officer of Berger Paints Jamaica Limited. Mr. McDonald was appointed to the Board of the Bank on February 5, 2001 and is a member of the Audit and Pension Committees of the Board. He is also a Director of Scotia Jamaica Investment Management Limited.

Prof. C. D.C. Christie

Celia Christie is a Professor of Pediatrics and a specialist in Pediatric infectious diseases, epidemiology and Public Health at the University of the West Indies. Professor Christie has been a Director of the Bank since February 5, 2001 and is also a member of the Audit and Conduct Review Committees of the Board. She is also a Director of Scotia Jamaica Life Insurance Company Limited.



Dr. J. A. Dixon

Dr. Jean Dixon is the Permanent Secretary in the Ministry of Industry, Commerce and Technology. She has been a Director since February 19, 1998 and is a member of the Executive and Audit Committees of the Board. Dr. Dixon is also the Chairperson of the Board of Directors of The Scotia Jamaica Building Society and Scotiabank Jamaica Foundation.



BOARD OF DIRECTORS OF THE BANK

as at 31 October 2004

Dr. W. St. A. Henry

Dr. Wayne St. Aubyn Henry is currently a lecturer at the University of the West Indies in the Department of Economics with emphases on Macroeconomics, Finance and Agriculture. He has been a director since February 20, 2003 and is a member of the Conduct and Human Resources Committees of the Board. He is also a Director of Scotia Jamaica Investment Management Limited.

**Miss M. M. Issa**

Miss Muna Issa is the Treasurer of SuperClubs. She has been a Director of the Bank since August 26, 1999 and is also a member of the Human Resources Committee of the Board. Miss Issa is also the Chairperson of the Board of Scotia Jamaica Life Insurance Company Limited and a member of the Board of The Scotia Jamaica Building Society.

**Miss M. A. Israel**

Miss Minna Israel, Executive Vice President and Deputy CEO of the Bank, was appointed to the Board on May 22, 2003. Miss Israel is a Director of Scotia Jamaica Investment Management Limited, Scotia Jamaica Life Insurance Company Limited, Scotia Jamaica General Insurance Brokers Limited, Scotia Financial Services Limited and Scotiabank Jamaica Foundation.

**C. H. Johnston**

Mr. Charles Johnston is the Chairman and Managing Director of Jamaica Fruit and Shipping Company Limited. He was appointed to the Board of the Bank on August 22, 2002 and is the Chairman of the Human Resources Committee and a member of the Executive and Audit Committees of the Board.

**W. A. McConnell, C.D.**

Mr. William McConnell is the Managing Director of Lascelles DeMercado Company Limited. He has been a Director of the Bank since February 18, 1988. He is also a member of the Executive and Pension Committees of the Board and Chairman of Scotia Jamaica Investment Management Limited.

**Dr. H. J. Thompson**

Dr. Herbert Thompson is the President of The Northern Caribbean University. He was appointed to the Board of the Bank on August 19, 1998 and is also a member of the Executive, Audit and Conduct Review Committees of the Board. Dr. Thompson is also Deputy Chairman of the Board of the Scotia Jamaica Building Society.

**R. E. Waugh**

Mr. Richard E. Waugh is the President of The Bank of Nova Scotia, Canada. Mr. Waugh is a member of the Board of Directors of The Bank of Nova Scotia and several of the Bank's subsidiaries and affiliates. He was appointed to the Board of Directors of The Bank of Nova Scotia Jamaica Limited on February 20, 2003.



EXECUTIVE AND SENIOR MANAGEMENT OFFICERS

EXECUTIVE OFFICERS

William E. Clarke
President and CEO

Miss Minna A. Israel
Executive Vice President and Deputy CEO

H. Wayne Powell
Executive Vice President,
Retail Products & Marketing

Mrs. Rosemarie A. Pilliner
Executive Vice President,
Operations & Service Delivery

Miss Stacie-Ann Wright
Executive Vice President,
& Chief Financial Officer

Michael D. Jones
Senior Vice President,
Human Resources

David A. Noël
Senior Vice President /
Senior Legal Counsel & Corporate Secretary

Mrs. Audrey M. Tugwell Henry
Senior Vice President,
Retail & Electronic Banking

SENIOR MANAGEMENT OFFICERS

Audit

Yvonne M. Pandohie
Vice President & Chief Auditor

Corporate Affairs & Marketing

Mrs. Marie Powell
Vice President,
Corporate Affairs & Marketing

Corporate & Commercial Banking Centre

Kevin J. Workman
Vice President,
Corporate & Commercial Banking

Bevan A. Callam
Assistant General Manager,
Corporate & Commercial Risk

Wayne P. Hewitt
Assistant General Manager,
Business Development

Credit Risk Management

Henri R. Bourdeau
Vice President, Risk Management

Donald O. Williams
Vice President,
Credit Risk Management

District Vice Presidents

Egerton G. Anderson

Peter J. Reid

Employee Communications & Consultations Unit

Mrs. Rosemarie A. Voordouw
Director

EXECUTIVE AND SENIOR MANAGEMENT OFFICERS

SENIOR MANAGEMENT OFFICERS cont'd.

Finance

Miss Shirley K. Ramsaran
Assistant General Manager,
Finance & Comptroller

Information Systems Centre

Miss Sharon A. Colquhoun
Director

Operations and Shared Services

Mrs. Suzette A. M McLeod
Vice President, Shared Services

David M. Williams
Assistant General Manager,
Operations & Sales Support

Private Banking Services

Miss Bridget A. Lewis
General Manager

Retail & Electronic Banking

Clyde C. Singh
Assistant General Manager,
Electronic Banking

Roger R. Cogle
Assistant General Manager,
Retail Banking

SENIOR MANAGEMENT OFFICERS cont'd.

The Scotia Jamaica Building Society

Gladstone F. Whitelocke
General Manager

Scotia Jamaica General Insurance Brokers Limited

Mrs. Joyce H. Beadle-Desousa
General Manager

Scotia Jamaica Investment Management Limited

Miss Janice V. Robinson
Vice President & General Manager

Scotia Jamaica Life Insurance Company Limited

Mrs. Jacqueline T. Sharp
Vice President & General Manager

Scotiabank Jamaica Foundation

Mrs. Marie Powell
Executive Director

BRANCHES AND MANAGERS

BLACK RIVER

6 High Street
P. O. Box 27
Black River
St. Elizabeth
R.R.Reid, Manager

BROWN'S TOWN

Main Street
P. O. Box 35
Brown's Town
St. Ann
Mrs. D. A. Maxwell, Manager

CHRISTIANA

Main Street
P. O. Box 11
Christiana, Manchester
C. A. Dawes, Manager

CORPORATE & COMMERCIAL BANKING CENTRE

Miss M. P. McLeggon, Snr. Relationship Manager
Miss C. A. Logan, Snr. Relationship Manager
M. A. Thompson, Snr. Relationship Manager
R. W. Purcell, Snr. Relationship Manager
C. M. Newman, Snr. Relationship Manager
Mrs. D. A. Mighty, Relationship Manager
Mrs. S. M. Chambers-Creary, Relationship Manager
K. A. Townsend, Relationship Manager
H. P. Ebanks, Relationship Manager
Mrs. A. M. Buckley, Relationship Manager
M. G. Verley, Relationship Manager

CROSS ROADS

86 Slipe Road
P. O. Box 2
Kingston 5
J. A. Clarke, Manager

FALMOUTH

Trelawny Wharf
P. O. Box 27
Falmouth,
Trelawny
S. H. Thompson, Manager

HAGLEY PARK ROAD

128 Hagley Park Road
P. O. Box 5
Kingston 11
Miss V. I. Omess, Manager
Mrs. Y. T. Leslie, Asst. Manager

HALF-WAY-TREE

80 Half-Way-Tree Road
P. O. Box 5
Kingston 10
D. E. Walters, Manager
Miss G. N. Crawford, Senior Account Manager
L. S. Estick, Account Manager
Mrs. V. J. James, Account Manager
V. A. Harvey,
Assistant Manager, Operations & Service
L. M. Reynolds, Account Manager,
Mrs. K. N. Chang, Account Manager

HIGHGATE

Main Street
P. O. Box 9
Highgate
St. Mary
Miss P. J. Douglas, Manager

IRONSHORE SERVICE CENTRE

Shops 2 & 3, Golden Triangle
Shopping Centre
Ironshore
Montego Bay
Miss D. M. Mortimer, Manager

JUNCTION

Junction P. O.
St. Elizabeth
E. R. Mullings, Manager

KING STREET

35-45 King Street
P. O. Box 511, Kingston
T. V. Allen, Manager
Mrs. W. D. O'Connor, Asst. Manager
C. C. Wiggan, Asst. Manager
Mrs. L. D. Stewart, Asst. Manager, Operations
D. W. Quarrie, Asst. Manager,
Personal Banking

LIGUANEA

125-127 Old Hope Road
P. O. Box 45
Kingston 6
S. A. Distant, Manager

LINSTEAD

42 King Street
P. O. Box 19
Linstead
St. Catherine
Miss J. Carter, Manager
Mrs. A. Y. Howard, Asst. Manager

LUCEA

Willie Delisser Boulevard
P. O. Box 63
Lucea
Hanover
M. A. Elliot, Manager

MANDEVILLE

1A Caledonia Road
P. O. Box 106
Mandeville, Manchester
A. C. Bright, Manager
Miss A. E. Senior, Asst. Manager, Credit
T. C. James, Manager,
Personal Banking
Mrs. L. M. Vickers, Asst. Manager,
Operations & Service

MAY PEN

36 Main Street
P. O. Box 32
May Pen
Clarendon
Mrs. B. M. Corrie, Manager

MORTEGO BAY

6-7 Sam Sharpe Square
P. O. Box 311
Montego Bay
St. James
Miss M. A. Flake, Manager
C. A. Marshall, Account Manager
Miss S. C. Lue, Asst. Manager
Mrs. A. M. Walters, Asst. Manager, Operations
W. O. Carr, Asst. Manager,
Personal Banking

MORANT BAY

23 Queen Street
P. O. Box 30
Morant Bay
St. Thomas
A. D. Johnson, Manager

BRANCHES AND MANAGERS

NEGRIL

Negril Square
Negril P. O.
Westmoreland
G. E. Gray, Manager

NEW KINGSTON

2 Knutsford Boulevard
P. O. Box 307
Kingston 5
B. C. Chisholm, Manager
E. A. Blake, Asst. Manager
Mrs. M. G. Rutland, Asst. Manager,
Personal Banking
M. S. Nelson, Asst. Manager, Operations

OCHO RIOS

Main Street
P. O. Box 150
Ocho Rios
St. Ann
P. R. Gajraj, Manager
K. E. Reese, Asst. Manager

OLD HARBOUR

4 South Street
P. O. Box 43
Old Harbour
St. Catherine
Miss M. A. Foster, Manager

OXFORD ROAD

6 Oxford Road
P. O. Box 109
Kingston 5
Miss J. A. Sutherland, Manager

PORT ANTONIO

3 Harbour Street
P. O. Box 79
Port Antonio
Portland
F. O. Wright, Manager

PORT MARIA

57 Warner Street
P. O. Box 6
Port Maria
St. Mary
Mrs. O. A. Whittaker, Manager

PORTMORE

Lot 2 Cookson Pen, Bushy Park
P.O. Box 14.
Greater Portmore,
St Catherine.
P.A. Elliott, Manager

PREMIER

10 Constant Spring Road
P. O. Box 509
Kingston 10
A. A. Boyd, Manager

ST. ANN'S BAY

18 Bravo Street
P. O. Box 2
St. Ann's Bay
St. Ann
Miss T. M. Palmer, Manager

SANTA CRUZ

77 Main Street
P. O. Box 20
Santa Cruz
St. Elizabeth
Mrs. N. F. Haughton, Manager

SAVANNA-LA-MAR

19 Great George's Street
P.O. Box 14
Savanna-La-Mar
Westmoreland
Mrs. L. A. Martin, Manager
N. A. Rainford, Asst. Manager

SCOTIABANK CENTRE

Cnr. Duke & Port Royal Streets
P. O. Box 59
Kingston
P. A. Chin, Manager
C. A. Lazarus, Account Manager
D. A. James, Asst. Manager, Personal Banking
Mrs. W. M. Mowatt, Operations Manager

SPANISH TOWN

27 Adelaide Street
Spanish Town
St. Catherine
R. A. Sangster, Manager
Mrs. I. C. Tucker, Asst. Manager

UWI, MONA CAMPUS

Cnr. Ring Road & Shed Lane
Kingston 7
J. J. Smalling, Manager

VICTORIA & BLAKE

29 Victoria Avenue
P.O. Box 625
Kingston
N. L. Stultz, Manager

WESTGATE

Westgate Shopping Centre
P.O. Box 11
Montego Bay
St. James
Mrs. G. A. Morrison, Manager

SUB-BRANCHES**APPLETON**

(Sub to Santa Cruz)
Appleton P. O.
St. Elizabeth

BARNETT STREET

(Sub to Montego Bay)
51 Barnett Street
Montego Bay
St. James

CLAREMONT

(Sub to St. Ann's Bay)
Claremont P.O.
Claremont
St. Ann

CLARK'S TOWN

(Sub to Falmouth)
Clark's Town P. O.
Trelawny

FRANKFIELD

(Sub to Christiana)
Frankfield
Clarendon

GAYLE

(Sub to Ocho Rios)
Gayle P. O.
St. Mary

ORACABESSA

(Sub to Port Maria)
Oracabessa P. O.
St. Mary

PARK CRESCENT

(Sub to Mandeville)
17 Park Crescent
Mandeville
Manchester

WHOLLY-OWNED SUBSIDIARIES AND SCOTIABANK JAMAICA FOUNDATION

BOARDS OF DIRECTORS AND SENIOR OFFICERS as at 31 October 2004

SCOTIA JAMAICA GENERAL INSURANCE BROKERS LIMITED

5th Floor, Scotiabank Centre
Cnr. Duke & Port Royal Streets
Kingston, Jamaica

Board of Directors

W. E. Clarke, C.D. - Chairman
E. H. Anderson
P. J. Reid
Miss M. A. Israel
H. W. Powell
Mrs. R. A. Pilliner
Miss J. V. Robinson
G. F. Whitelocke

Senior Officers:

Mrs. J. H. Beadle-DeSousa
General Manager

Mrs. S. Wilkie-Channer
Manager, Finance & Operations

SCOTIA JAMAICA INVESTMENT MANAGEMENT LIMITED

4th Floor, Scotiabank Centre
Cnr. Duke & Port Royal Streets
P.O. Box 627
Kingston, Jamaica

Board of Directors

W. A. McConnell, C.D. - Chairman
W. E. Clarke, C.D.
Ms. E. M. Brown
Dr. W. St. A. Henry
Miss M. A. Israel
J. R. Macdonald
W. A. McDonald
R. U. Patrick
H. W. Powell
Miss S. A. Wright
C.H. Johnston

Senior Officers:

Miss J.V. Robinson
Vice President & General Manager

K. Harris
Senior Manager Investments

Miss N. K. Hines
Manager, Trust & Registration Services

G. A. White
Manager, Finance & Operations

B. O. Frazer
Manager, Securities, Trading & Investments

SCOTIA JAMAICA LIFE INSURANCE COMPANY LIMITED

5th Floor, Scotiabank Centre
Cnr. Duke & Port Royal Streets
Kingston, Jamaica

Board of Directors

Miss M. M. Issa - Chairperson
W. E. Clarke, C.D.
A. V. Chang
Prof. C. D. C. Christie
Miss M. A. Israel
H. A. Reid
Dr. A. E. Samuels
P. B. Scott
Miss S. A. Wright

Senior Officers:

Mrs. J. T. Sharp
Vice President & General Manager

Mrs. R. N. M. Patrick
Senior Manager, Finance & Investments

Mrs. E. A. Hendricks
Manager, Marketing & Communications

Ms. L. S. Heslop
Manager, Operations & Customer Service

THE SCOTIA JAMAICA BUILDING SOCIETY

95 Harbour Street
P.O. Box 8463
Kingston, Jamaica

Board of Directors

Dr. J. A. Dixon - Chairperson
Dr. H. J. Thompson - Deputy Chairman
Dr. C. D. Archer
W. E. Clarke, C.D.
Miss M. M. Issa
H. W. Powell
Mrs. M. Powell
Miss S. A. Wright
Miss J. A. Thompson

Senior Officers:

G. F. Whitelocke
General Manager

Mrs. M. A. Anthony
Manager, Finance & Operations

P. F. Williams
Manager, Mortgage Services

SCOTIA JAMAICA FINANCIAL SERVICES LIMITED

Scotiabank Centre
Cnr. Duke & Port Royal Streets
P.O. Box 709
Kingston, Jamaica

Board of Directors

W. E. Clarke, C.D. - Chairman
Miss M. A. Israel
H.W. Powell
Mrs. M. Powell
P. J. Reid
Miss S. A. Wright

SCOTIABANK JAMAICA FOUNDATION

Scotiabank Centre
Cnr. Duke & Port Royal Streets
P.O. Box 709
Kingston, Jamaica

Board of Directors

Dr. J. A. Dixon - Chairperson
E. H. Anderson
Ms. E. M. Brown
W. E. Clarke, C.D., Deputy Chairman
Miss M. A. Israel
Mrs. R. A. Pilliner
H. W. Powell
Mrs. M. Powell
P. J. Reid
Miss S. A. Wright

Senior Officer:

Mrs. M. Powell
Executive Director

BRIGHTON HOLDINGS LIMITED

Scotiabank Centre
Cnr. Duke & Port Royal Streets
Kingston, Jamaica

Board of Directors

W.E. Clarke, C.D. - Chairman
E. H. Anderson
H.W. Powell
Miss S. A. Wright

THE BANK OF NOVA SCOTIA JAMAICA LIMITED COMMITTEES & MEMBERS

EXECUTIVE COMMITTEE OF THE BOARD

Hon. M. M. Matalon, O.J.
Chairman

W. E. Clarke, C.D.
Dr. J. A. Dixon
W. A. McConnell, C.D.
C. H. Johnston
R. H. Pitfield
Dr. H. J. Thompson

AUDIT COMMITTEE

Dr. J. A. Dixon
Chairperson

Prof. C. D.C. Christie
W. A. McDonald
C. H. Johnston
Dr. H. J. Thompson

HUMAN RESOURCES COMMITTEE

C. H. Johnston
Chairman

A. V. Chang
Miss M. M. Issa
Dr. W. St. A. Henry
Dr. J.A.Dixon

PENSION COMMITTEE

W. A. McConnell, C.D.
Chairman

R. H. Pitfield
W. E. Clarke, C.D.
A. V. Chang
W. A. McDonald

CONDUCT REVIEW COMMITTEE

Dr. H.J. Thompson
Chairman

Prof. C. D. C. Christie
Dr. W. St. Aubyn Henry

CORPORATE DATA

AUDITORS

PricewaterhouseCoopers
Scotiabank Centre
Cnr. Duke & Port Royal Streets
P.O. Box 372
Kingston, Jamaica

Telephone: (876) 922.6230
Fax: (876) 922.7581

REGISTERED OFFICE

Scotiabank Centre
Cnr. Duke & Port Royal Streets
P.O. Box 709
Kingston, Jamaica

Telephone: (876) 922.1000
Fax: (876) 922.6548
Website: www.scotiabank.com.jm
Telex: 2297
SWIFT Bic Code: NOSCMKN

PROXY FORM

THE BANK OF NOVA SCOTIA JAMAICA LIMITED

I/We.....
of.....
in the parish ofbeing a Member of the above Company, hereby appoint the
Chairman of the Meeting or failing him (see Note 1).....
.....of
.....or failing
them.....of
.....as my/our Proxy to vote for
me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 18th day of February
2005 and at any adjournment thereof.

Please indicate by inserting a cross in the appropriate square how you wish your votes to be cast. Unless otherwise instructed, the Proxy will vote or abstain from voting, at his discretion.

RESOLUTION	FOR	AGAINST
NO. 1		
NO. 2		
NO. 3(a)		
NO. 3(b)		
NO. 3(c)		
NO. 3(d)		
NO. 4		
NO. 5		
NO. 6		

As witness my hand this.....day
of.....200.....

.....
Signature

1. If you wish to appoint a proxy other than the Chairman of the Meeting, please insert the person's name and address and delete (initialing the deletion) "the Chairman of the Meeting".
2. To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed must be lodged at the office of the Registrar of the Company, Scotia Jamaica Investment Management Limited (formerly Scotiabank Jamaica Trust and Merchant Bank Limited), 4th Floor, Scotiabank Centre, Cnr. Duke & Port Royal Streets, Kingston, at least 48 hours before the time appointed for the holding of the meeting.
3. To this form must be affixed a \$100.00 stamp in payment of stamp duty.
4. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
5. To be effective, this form of proxy must be signed by the appointer or his attorney, duly authorised in writing or, if the appointer is a corporation, must be under its common seal or be signed by some officer or attorney duly authorised in that behalf.



Photography: Lenox Quallo
Peter Ferguson
Wayne Chin

Design & Production: Corporate Affairs & Marketing Department
The Bank of Nova Scotia Jamaica Limited

Colour Separations: Tropiccolour Limited

Printing: Lithographic Printers Limited

