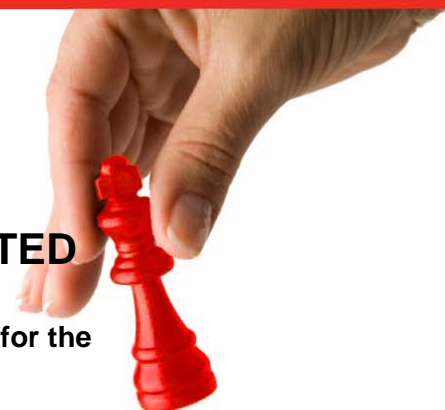


# MEDIA RELEASE

May 26, 2011

## THE BANK OF NOVA SCOTIA JAMAICA LIMITED

The Bank of Nova Scotia Jamaica Limited second quarter results for the period ended April 30, 2011.



The Bank of Nova Scotia Jamaica Limited  
Consolidated Statement of Income  
Period ended April 30, 2011

Unaudited (\$millions)	For the three months ended			For the six months ended	
	April 2011	January 2011	Restated April 2010	April 2011	April 2010
<b>Gross Operating Income</b>	7,919	8,209	8,958	16,128	18,373
Interest Income	6,025	6,460	6,758	12,485	14,905
Interest Expense	(1,274)	(1,406)	(1,993)	(2,680)	(4,567)
Net Interest Income	4,751	5,054	4,765	9,805	10,338
Impairment losses on loans	(131)	(491)	(464)	(622)	(885)
Net interest income after impairment losses	4,620	4,563	4,301	9,183	9,453
Net fee and commission income	1,038	973	846	2,011	1,589
Insurance revenue	593	493	916	1,086	1,179
Net foreign exchange trading income	263	280	243	543	489
Other revenue	-	3	195	3	211
	1,894	1,749	2,200	3,643	3,468
<b>Total Operating Income</b>	6,514	6,312	6,501	12,826	12,921
<b>Operating Expenses</b>					
Salaries and staff benefits	1,964	1,838	1,866	3,802	3,721
Property expenses, including depreciation	440	437	448	877	873
Other operating expenses	949	1,095	1,012	2,044	2,080
	3,353	3,370	3,326	6,723	6,674
<b>Profit before taxation</b>	3,161	2,942	3,175	6,103	6,247
Taxation	(821)	(665)	(674)	(1,487)	(1,445)
<b>Profit for the period</b>	<b>2,340</b>	<b>2,277</b>	<b>2,501</b>	<b>4,616</b>	<b>4,802</b>
<b>Attributable to stockholders of parent company</b>	<b>2,340</b>	<b>2,277</b>	<b>2,501</b>	<b>4,616</b>	<b>4,802</b>
Earnings per share based on 2,927,232,000 shares (cents)	80	78	85	158	164
Return on average equity (annualized)	19.74%	19.92%	24.82%	19.82%	24.25%
Return on assets (annualized)	3.51%	3.57%	3.94%	3.46%	3.78%
Productivity ratio	52.43%	56.75%	54.41%	54.62%	54.75%



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## Scotiabank Media Release



**The Bank of Nova Scotia Jamaica Limited**  
**Consolidated Statement of Comprehensive Income**  
**Period ended April 30, 2011**

Unaudited (\$ millions)	For the three months ended			For the six months ended	
	April 2011	January 2011	Restated April 2010	April 2011	Restated April 2010
Profit for the period	2,340	2,277	2,501	4,616	4,802
Other comprehensive income					
Unrealised gains on available for sale financial assets	544	486	1,405	1,030	996
Realised gains on available for sale financial assets	(2)	-	(103)	(2)	(103)
	542	486	1,302	1,028	893
Taxation	(55)	(77)	(424)	(131)	(303)
Other comprehensive income, net of tax	487	409	878	897	590
<b>Total comprehensive income for the period</b>	<b>2,827</b>	<b>2,686</b>	<b>3,379</b>	<b>5,513</b>	<b>5,392</b>
<b>Attributable to stockholders of parent company</b>	<b>2,827</b>	<b>2,686</b>	<b>3,379</b>	<b>5,513</b>	<b>5,392</b>

# Scotiabank Media Release



The Bank of Nova Scotia Jamaica Limited  
 Consolidated Statement of Financial Position  
 April 30, 2011

<i>Unaudited</i> (\$ millions)	Period ended April 30	Year Ended October 31	Period ended April 30
	2011	2010	2010
<b>ASSETS</b>			
<b>CASH RESOURCES</b>	62,415	55,814	60,730
<b>INVESTMENTS</b>			
Held To Maturity	13,246	14,470	15,285
Securities available for sale	73,793	71,199	65,331
	<u>87,039</u>	<u>85,669</u>	<u>80,616</u>
<b>PLEGGED ASSETS</b>	606	579	543
<b>GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT</b>	2,153	200	484
<b>LOANS, AFTER MAKING PROVISIONS FOR LOSSES</b>	98,194	95,403	92,025
<b>OTHER ASSETS</b>			
Customers' Liability under acceptances, guarantees and letters of credit	4,482	5,320	8,019
Property, plant, and equipment	3,593	3,522	3,449
Retirement Benefit Asset	6,959	6,642	6,140
Taxation Recoverable	649	1,078	1,511
Other assets	538	884	473
	<u>16,221</u>	<u>17,446</u>	<u>19,592</u>
<b>TOTAL ASSETS</b>	<b>266,628</b>	<b>255,111</b>	<b>253,990</b>
<b>LIABILITIES</b>			
<b>DEPOSITS</b>			
Deposits by public	155,264	145,670	147,121
Deposits due to other financial institutions	3,330	3,612	3,095
Other deposits	9,648	9,963	10,452
	<u>168,242</u>	<u>159,245</u>	<u>160,668</u>
<b>OTHER LIABILITIES</b>			
Acceptances, Guarantees & Letters of Credit	4,482	5,320	8,019
Redeemable Preference Shares	100	100	100
Deferred Taxation	2,798	2,666	2,512
Retirement Benefit Obligation	1,710	1,502	1,315
Other liabilities	3,192	4,497	4,230
	<u>12,282</u>	<u>14,085</u>	<u>16,176</u>
<b>POLICY HOLDERS' FUND</b>	37,791	36,891	35,674
<b>SHAREHOLDERS' EQUITY</b>			
Capital- Authorized, 3,000,000,000 ordinary shares Issued and fully paid, 2,927,232,000			
Ordinary stock units of \$1 each	2,927	2,927	2,927
Reserve Fund	3,158	3,158	3,158
Capital Reserves	9	9	9
Retained Earnings Reserve	11,902	11,902	11,502
Loan Loss Reserve	2,296	2,082	1,983
Other Reserves	3	3	3
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	2,006	1,109	233
Unappropriated Profits	26,012	23,700	21,657
	<u>48,313</u>	<u>44,890</u>	<u>41,472</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>266,628</b>	<b>255,111</b>	<b>253,990</b>

  
 Director

  
 Director

## Scotiabank Media Release



### THE BANK OF NOVA SCOTIA JAMAICA LIMITED

#### Consolidated Statement of Changes in Shareholders' Equity April 30, 2011

Unaudited (\$ millions)	Share Capital	Reserve Fund	Retained Earnings Reserve	Capital Reserve	Other Reserves	Loan Loss Reserve	Cumulative Remeasurement from AFS Financial Assets	Unappropriated Profits	Total
Balance at 31 October 2009	2,927	3,158	10,902	9	3	1,710	(357)	19,818	38,170
Net profit	-	-	-	-	-	-	-	4,802	4,802
Other Comprehensive income									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	-	-	663	-	663
Realised gains on available-for sale securities, net of taxes	-	-	-	-	-	-	(73)	-	(73)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	590	4,802	5,392
Transfer to Retained Earnings Reserve	-	-	800	-	-	-	-	(800)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	273	-	(273)	-
Dividends paid	-	-	-	-	-	-	-	(2,090)	(2,090)
<b>Balance as at 30 April 2010</b>	<b>2,927</b>	<b>3,158</b>	<b>11,502</b>	<b>9</b>	<b>3</b>	<b>1,983</b>	<b>233</b>	<b>21,657</b>	<b>41,472</b>
Balance at 31 October 2010	2,927	3,158	11,902	9	3	2,082	1,109	23,700	44,890
Net profit	-	-	-	-	-	-	-	4,616	4,616
Other Comprehensive income									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	-	-	898	-	898
Realised gains on available-for sale securities, net of taxes	-	-	-	-	-	-	(1)	-	(1)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	897	4,616	5,513
Transfer to Retained Earnings Reserve	-	-	-	-	-	-	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	214	-	(214)	-
Dividends paid	-	-	-	-	-	-	-	(2,090)	(2,090)
<b>Balance at 30 April 2011</b>	<b>2,927</b>	<b>3,158</b>	<b>11,902</b>	<b>9</b>	<b>3</b>	<b>2,296</b>	<b>2,006</b>	<b>26,012</b>	<b>48,313</b>

# Scotiabank Media Release



**The Bank of Nova Scotia Jamaica Limited**  
**Condensed Statement of Consolidated Cash Flows**  
**April 30, 2011**

<i>Unaudited</i> (\$ millions)	2011	Restated 2010
<b>Cash flows provided by / (used in) operating activities</b>		
Profit for the year	4,616	4,802
Items not affecting cash:		
Depreciation	225	207
Impairment losses on loans	622	885
Other, net	(8,321)	(8,894)
	(2,858)	(3,000)
Changes in operating assets and liabilities		
Loans	(3,464)	(3,592)
Deposits	9,636	7,913
Securities sold under repurchase agreement	-	(267)
Policyholders reserve	899	1,266
Other, net	10,020	29,192
	14,233	31,512
<b>Cash flows provided by / (used in) investing activities</b>		
Investments	(539)	(4,306)
Repurchase Agreements	-	206
Property, plant and equipment, net	(293)	(298)
	(832)	(4,398)
<b>Cash flows used in financing activities</b>		
Dividends paid	(2,090)	(2,090)
	(2,090)	(2,090)
Effect of exchange rate on cash and cash equivalents	213	(141)
Net change in cash and cash equivalents	11,524	24,883
Cash and cash equivalents at beginning of period	28,295	13,859
<b>Cash and cash equivalents at end of period</b>	<b>39,819</b>	<b>38,742</b>
<b>Represented by :</b>		
Cash resources	62,415	60,730
Less statutory reserves at Bank of Jamaica	(15,872)	(17,849)
Less amounts due from Bank of Jamaica greater than ninety days	-	(882)
Less amounts due from other banks greater than ninety days	(7,456)	(2,873)
Less accrued interest on cash resources	(166)	(174)
Reverse repurchase agreements and bonds less than ninety days	2,150	2,305
Cheques and other instruments in transit, net	(1,252)	(2,515)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>39,819</b>	<b>38,742</b>

## Scotiabank Media Release



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

### Segment Reporting Information

#### Consolidated Statement of Income

April 30, 2011

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	2,355	5,649	2,620	2,818	6	-	13,448
Revenues from other segments	(1,114)	469	648	10	-	(13)	-
<b>Total Revenues</b>	<b>1,241</b>	<b>6,118</b>	<b>3,268</b>	<b>2,828</b>	<b>6</b>	<b>(13)</b>	<b>13,448</b>
Expenses	(35)	(4,565)	(2,313)	(444)	(1)	13	(7,345)
Unallocated expenses							
<b>Profit Before Tax</b>	<b>1,206</b>	<b>1,553</b>	<b>955</b>	<b>2,384</b>	<b>5</b>	<b>-</b>	<b>6,103</b>
Taxation							(1,487)
<b>Profit for the period</b>							<b>4,616</b>

#### Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	88,705	59,792	54,444	57,816	1,091	(2,745)	259,103
Unallocated assets							7,525
<b>Total Assets</b>							<b>266,628</b>
Segment liabilities	-	90,914	83,897	38,219	58	(1,679)	211,409
Unallocated liabilities							6,906
<b>Total liabilities</b>							<b>218,315</b>
<b>Other Segment items:</b>							
Capital Expenditure	-	169	129	-	-	-	298
Impairment losses on loans	-	516	106	-	-	-	622
Depreciation	-	150	73	2	-	-	225

## Scotiabank Media Release

THE BANK OF NOVA SCOTIA JAMAICA LIMITED

### Segment Reporting Information

#### Consolidated Statement of Income

April 30, 2010

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	3,486	4,559	2,618	3,132	11	-	13,806
Revenues from other segments	(1,864)	937	923	4	-	-	-
<b>Total Revenues</b>	<b>1,622</b>	<b>5,496</b>	<b>3,541</b>	<b>3,136</b>	<b>11</b>	<b>-</b>	<b>13,806</b>
Expenses	(33)	(4,650)	(2,429)	(446)	(1)	-	(7,559)
Unallocated expenses							
<b>Profit Before Tax</b>	<b>1,589</b>	<b>846</b>	<b>1,112</b>	<b>2,690</b>	<b>10</b>	<b>-</b>	<b>6,247</b>
Taxation							(1,445)
<b>Profit for the period</b>							<b>4,802</b>

#### Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	87,725	52,262	56,580	50,786	172	(574)	246,951
Unallocated assets							7,039
<b>Total Assets</b>							<b>253,990</b>
Segment liabilities	-	89,966	81,569	36,060	58	(386)	207,267
Unallocated liabilities							5,251
<b>Total liabilities</b>							<b>212,518</b>
<b>Other Segment items:</b>							
Capital Expenditure	-	161	137	-	-	-	298
Impairment losses on loans	-	699	186	-	-	-	885
Depreciation	-	122	82	3	-	-	207

## Scotiabank Media Release



### THE BANK OF NOVA SCOTIA JAMAICA LIMITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS APRIL 30, 2011

#### 1. Identification

The Bank of Nova Scotia Jamaica Limited (Bank) is a 100% subsidiary of Scotia Group Jamaica Limited which is incorporated and domiciled in Jamaica.

Scotia Group Jamaica Limited is a 71.78% subsidiary of the Bank of Nova Scotia which is incorporated and domiciled in Canada and is the ultimate parent.

#### 2. Basis of presentation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). New and revised standards that became effective this year did not have any material impact on the financial statements and the accounting policies are consistent with those applied in the audited financial statements for the year ended October 31, 2010. These financial statements are presented in Jamaican dollars, which is the Group's functional currency.

#### Basis of consolidation

The consolidated financial statements include the assets, liabilities, and results of operations of the Bank and its subsidiaries presented as a single economic entity. Intra-group transactions, balances, and unrealized gains and losses are eliminated in preparing the consolidated financial statements.

#### Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. The Statement of Income for 2010 was restated to reclassify actuarial gains and losses on the defined benefit pension plan from other comprehensive income, in order to comply with IFRS.

#### 3. Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss; loans and receivables; held-to-maturity; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

#### Financial Assets at Fair Value through Profit and Loss

This category includes a financial asset acquired principally for the purpose of selling in the short term or if so designated by management.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivable.

#### Held-to-Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

#### Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates or equity prices.

Available-for-sale investments and financial assets at fair value through profit and loss are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of trading securities are included in the statement of revenue and expenses in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in the statement of comprehensive income. Interest calculated using the effective interest method is recognized in the statement of revenue and expenses.



## Scotiabank Media Release



### THE BANK OF NOVA SCOTIA JAMAICA LIMITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS APRIL 30, 2011

#### 4. Pledged Assets

Assets are pledged as collateral for inter-bank borrowings and clearing house transactions.

\$millions	Asset		Related Liability	
	2011	2010	2011	2010
Securities with other financial institutions and clearing house	606	543	-	-

#### 5. Insurance and investment contracts

Insurance contracts are those contracts that transfer significant insurance risks. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk, the possibility of having to pay benefits at the occurrence of an insured event that is at least 10% more than the benefits payable if the insured event did not occur.

#### 6. Loan loss provision

IFRS loan loss provision is established on the difference between the carrying amount and the recoverable amount of loans. The recoverable amount being the present value of expected future cash flows, discounted based on the interest rate at inception or last repriced date of the loan. Regulatory loan loss provisioning requirements that exceed these amounts are maintained within a loan loss reserve in the equity component of the statement of financial position.

#### 7. Employee benefits

Pension asset – The group participates in a defined benefit pension plan. The pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of revenue and expenses, and the net of the present value of the pension obligation and the fair value of the plan assets, is reflected as an asset on the statement of financial position.

Other post-retirement obligations – The Group provides post retirement healthcare and group life insurance benefits to retirees. The method of accounting used to recognize the liability is similar to that for the defined benefit pension plan.

#### 8. Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

#### 9. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation.

#### 10. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bank of Jamaica, amounts due from other banks, and highly liquid financial assets with original maturities of less than three months, which are readily convertible to known amounts of cash, and are subject to insignificant risk of changes in their fair value.

## Scotiabank Media Release



### THE BANK OF NOVA SCOTIA JAMAICA LIMITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS APRIL 30, 2011

#### 11. Segment reporting

The Group is organized into five main business segments:

- Retail Banking – incorporating personal banking services, personal customer current accounts, saving deposits, credit and debit cards, customer loans and mortgages;
- Corporate and Commercial Banking – incorporating non-personal direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities and foreign currency transactions;
- Treasury – incorporating the Bank's liquidity and investment management function, management of correspondent bank relationships, as well as foreign currency trading;
- Insurance Services – incorporating the provision of life and medical insurance, individual pension administration and investment management;
- Other operations of the Group comprise non trading entities.

Transactions between the business segments are on normal commercial terms and conditions. The Group's operations are located mainly in Jamaica.