

Date: August 23, 2007

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MEDIA RELEASE

SCOTIA GROUP JAMAICA LIMITED REPORTS SOLID RESULTS FOR THE THIRD QUARTER

THIRD QUARTER 2007 HIGHLIGHTS (Year to Date)

- **Net Income of \$5,401 million**
- **Earnings per share of \$1.72**
- **Return on Average Equity 24.29%**
- **Productivity ratio of 54.89%**
- **Third Quarter dividend of 30 cents per share**

Scotia Group Jamaica Limited (Scotia Group) today reported net income of \$2,008 million for the third quarter, this was \$229 million above the net income for the quarter ended April 30, 2007 and \$323 million above the net income for the quarter ended July 31, 2006. For the nine months ended July 31, 2007 net income was \$5,401 million compared to net income of \$4,984 million for the same period last year.

William E. Clarke, President and CEO said “During the quarter, we completed the reorganization of Scotiabank Jamaica, resulting in The Bank of Nova Scotia Jamaica Limited and Dehring Bunting and Golding Limited (DB&G) becoming subsidiaries of Scotia Group Jamaica Limited. On July 1, 2007 Scotia Investments became a wholly owned subsidiary of DB&G in our quest to consolidate the investment management activities within the Group to achieve efficiencies and economies of scale. This reorganization has positioned Scotia Group to become a larger player in the financial services sector and has laid the foundation for us to become the leader in wealth management and wealth creation”.

Our retail portfolio continues to achieve solid results with excellent growth in our Scotia Plan Loans, Mortgages (SJBS) and Credit card portfolios. We also continue to pay close attention to expense control.

Earnings per share (EPS) for the quarter was 63 cents, compared to 58 cents last year and 61 cents at the end of the previous quarter. Year to date EPS was \$1.72, while Return on Average Equity (ROE) annualized remains very strong at 24.29%.

The Board of Directors today, approved an interim dividend of 30 cents per stock unit, payable on October 4, 2007 to stockholders on record at September 14, 2007.

REVENUES

Total Revenue comprising net interest revenue and other income was \$16,430 million, an increase of \$1,958 million.

NET INTEREST INCOME

Net interest income was \$12,711 million, up \$1,233 million when compared to last year. This is as a result of strong portfolio volume growth primarily in our retail portfolio, as net interest margin continue to trend downwards in line with market interest rates. Interest income earned from securities also increased, due to volume growth in the investment and repurchase agreement portfolios.

OTHER REVENUE

Other revenue, excluding Insurance Premium Income, was \$3,275 million, up \$585 million when compared with last year driven mainly by the growth in fees earned from electronic services, as well as loan fees. Insurance Premium is attributable to ScotiaMINT, the interest sensitive life insurance policy and Creditor Life insurance, marketed by Scotia Jamaica Life Insurance Company Limited. Combined net premium income for both products increased by approximately \$140 million when compared to the same period last year. SJLIC reported gross premium income of \$3.7 billion for the nine months.

NON-INTEREST EXPENSES AND PRODUCTIVITY

Our productivity ratio (non-interest expense as a percentage of total revenue) - a key measure of cost efficiency - was 54.89%. If insurance premium and related actuarial expenses were excluded, to recognize the significant dissimilarities between the revenue/expense pattern of the insurance business and the other financial services offered by the Scotiabank group, the productivity ratio for the period was 45.07%, which is significantly better than the international benchmark of 60%.

Non-interest Expenses excluding Change in Policyholders' Reserve and Loan Loss Provisions, were \$6,805 million, an increase of \$942 million over last year of which \$280 Million relate to the inclusion of DB&G in the consolidated results. The balance of \$662 million was due to increased staff costs, advertising and public relations (sponsorship of World Cup Cricket) and security expenses. Policyholders Reserves for ScotiaMINT's life insurance fund is directly attributed to the business in force.

CREDIT QUALITY

Non-performing Loans at July 31, 2007 were \$1,618 million, of which \$392 million relates to the consolidation of DB&G. The non-performing loans for BNSJ were \$1,226 million, this was an increase of \$282 million when compared to \$944 million a year ago, and \$99 million above the previous quarter ended April 30, 2007. BNSJ's non-performing loans now represent 1.76% of total loans and 0.62% of total assets compared to 1.58% and 0.49% respectively in prior year.

The IFRS Loan Loss Provisioning requirements are computed using a different methodology from the Regulatory requirement. The difference in the amount computed under the two methodologies is reported as Loan Loss Reserve in the equity component of the Balance Sheet. The Group's loan loss provision as determined by IFRS is \$718 million, of which \$544 million is specific and \$174 million is general.

The loan loss provision as determined by Regulatory Requirement is \$1,526 million, of which \$163 million relates to provisions established by DB&G. BNSJ's loan loss provision is \$1,363 million which exceeds total non-performing loans by \$137 million, and provides coverage of 111% of BNSJ's non performing loans. Over the years, we continue to experience significant growth in the loan portfolio, however the loan loss provision has remained relatively stable, due to Scotiabank's strong credit policy and loan administration procedures, which has ensured the high quality of the loan portfolio.

BALANCE SHEET

Total assets increased year over year by \$64 Billion or 33% to \$258 Billion as at July 31, 2007. The consolidation of DB&G contributed \$37 Billion to the growth in assets. The Group's performing loans were \$73 billion, up \$14 Billion over the previous year, as we continue to experience significant growth in retail lending, however, commercial loan demand continues to be weak. Investments and repurchase agreements increased by \$42 Billion of which \$30 Billion relates to the consolidation of DB&G. Retirement Benefit Asset represents the net of the present value of pension obligation and the fair value of the pension plan assets as determined by independent actuaries.

Deposits grew to \$132.6 billion, up \$15 billion from the previous year, reflecting continued confidence in Scotiabank.

CAPITAL

Scotia Group's capital base continues to be very strong. Total shareholders equity (excluding minority interest) grew to \$33 billion, \$4.2 Billion more than the previous quarter, this was due mainly to an increase of \$3.6 Billion in the share capital of Scotia Group Jamaica Limited consistent with the Scheme of Arrangement.

OUR COMMITMENT TO THE COMMUNITY

Scotiabank demonstrated its commitment to nation building through its funding of projects in the education and health sectors, as well as through voluntary support from the Scotiabank Volunteers.

Over 200 volunteers assisted with the replanting of bamboo trees at Holland Bamboo in St. Elizabeth which was the Group's major project for National Labour Day. Our volunteers also built a new house for a needy family in Rocky Point, St. Thomas.

"The deployment of our volunteers to work in communities is another way of enhancing our commitment to giving back to our country and we are very pleased that our staff have embraced the vision of giving of their time and expertise to compliment what we give through the Scotiabank Jamaica Foundation", said William Clarke, President and Chief Executive Officer.

During the quarter, the Scotiabank Jamaica Foundation contributed \$11.2 million to various projects aimed at helping organizations and individuals in need, as well as in promoting academic excellence.

The major focus was on education with the awarding of 21 new scholarships for the coming school year to students who excelled in the Grade Six Achievement Test and the Speak Up! Speak Out! National Primary Schools HIV and AIDS Debating Competition. These scholarships varying from one to seven years have an approximate value of \$14 million.

The Foundation also donated \$10.2 million to education projects, which include new and on going scholarships as well as the construction of the Scotiabank-sponsored multi-million dollar Lecture Theatre at the Montego Bay Community College, which is near completion. Scotiabank has committed \$25 million towards the construction of the Theatre.

Scotiabank continued its commitment to the health sector with donations totaling \$321,000 to the Scotiabank Jamaica Foundation Haemodialysis Unit at the Cornwall Regional Hospital for ongoing maintenance of equipment.

Donation of \$655,000 was made to the Golden Age Home in Kingston for the provision of meals for the residents of Cluster F.

Scotia Group takes this opportunity to thank all of our stakeholders. To our customers, thank you for your loyalty and your business. To our shareholders, thank you for the commitment, trust and confidence you continue to show in us. Our continued success is as a result of great execution by our team of skilled and dedicated Scotiabankers and their consistent focus on customer satisfaction. We thank them for their professionalism, commitment and for being a great team.

CONSOLIDATED FINANCIAL STATEMENTS

Scotia Group Jamaica Limited
Statement of Consolidated Revenues & Expenses

Unaudited (\$ millions)	For the three months ended			For the nine months ended	
	July	April	July	July	July
	2007	2007	2006	2007	2006
GROSS OPERATING INCOME	8,676	7,096	6,755	22,761	19,813
INTEREST INCOME					
Loans and deposits with banks	3,869	3,543	3,448	10,879	10,062
Securities	3,376	2,328	2,302	8,163	6,757
	7,245	5,871	5,750	19,042	16,819
INTEREST EXPENSE					
Deposits and repurchase agreements	2,682	1,819	1,820	6,331	5,341
Net interest income	4,563	4,052	3,930	12,711	11,478
Provision for credit losses	(101)	(141)	(107)	(402)	(199)
Net interest income after provision for credit losses	4,462	3,911	3,823	12,309	11,279
Net fee and commission income	748	844	706	2,290	2,026
Insurance premium income	152	151	102	444	304
Gains less losses from foreign currencies	293	211	196	706	662
Other operating income	238	19	1	279	2
	1,431	1,225	1,005	3,719	2,994
TOTAL OPERATING INCOME	5,893	5,136	4,828	16,028	14,273
OPERATING EXPENSES					
Staff costs	1,411	1,218	1,132	3,913	3,498
Premises and equipment, including depreciation	434	325	328	1,097	902
Changes in policyholders' reserves	647	580	543	1,812	1,592
Other operating expenses	711	536	525	1,795	1,463
	3,203	2,659	2,528	8,617	7,455
PROFIT BEFORE TAXATION	2,690	2,477	2,300	7,411	6,818
Taxation	(682)	(698)	(615)	(2,010)	(1,834)
PROFIT AFTER TAXATION	2,008	1,779	1,685	5,401	4,984
ATTRIBUTABLE TO:					
Stockholders of the company	1,974	1,779	1,685	5,367	4,984
Minority interest	34	-	-	34	-
	2,008	1,779	1,685	5,401	4,984
Earnings per share based on 3,111,572,984 shares (cents)	63	61	58	172	170
Return on average equity	25.34%	24.88%	26.67%	24.29%	26.76%
Return on assets annualised	3.06%	3.30%	3.48%	2.77%	3.43%
Productivity ratio	55.12%	53.25%	53.39%	54.89%	52.88%
Productivity ratio (excluding Life Insurance Business)	45.48%	43.47%	43.29%	45.07%	42.78%

Note:

Where necessary, certain comparative amounts have been restated to conform to current year's presentation.

Scotia Group Jamaica Limited
Consolidated Balance Sheet

	Nine months ended July 31	Year ended October 31	Nine months ended July 31
<i>Unaudited</i> (\$ millions)	2007	2006	2006
ASSETS			
CASH RESOURCES	45,188	45,930	44,796
INVESTMENTS			
Held To Maturity	36,026	36,715	30,927
Financial assets at fair value through statement of revenue and expenses	1,841	238	229
Securities available for sale	38,135	15,849	14,862
	76,002	52,802	46,018
CAPITAL MANAGEMENT AND GOVERNMENT SECURITIES FUND	12,736	-	-
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	30,015	29,600	30,902
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	74,231	59,588	60,091
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	7,628	3,961	4,265
Real estate and equipment at cost, less depreciation	2,672	2,350	2,337
Deferred Taxation	184	176	110
Taxation Recoverable	1,008	675	765
Retirement Benefit Asset	4,692	4,287	4,127
Other assets	1,541	648	389
Intangible Assets	2,084	-	-
	19,809	12,097	11,993
TOTAL ASSETS	257,981	200,017	193,800
LIABILITIES			
DEPOSITS			
Deposits by public	124,719	113,280	111,094
Other deposits	7,890	7,210	6,657
	132,609	120,490	117,751
OTHER LIABILITIES			
Acceptances, guarantees and Letters of Credit	7,628	3,961	4,265
Liabilities under repurchase agreements	36,078	18,234	17,686
Promissory Notes	785	-	-
Capital Management and Government Securities Fund	12,736	-	-
Redeemable Preference Shares	100	-	-
Deferred Taxation	1,672	1,738	1,481
Retirement Benefit Obligation	664	487	445
Assets Held in Trust on behalf of Participants	40	-	-
Other liabilities	4,746	4,008	3,198
	64,449	28,428	27,075
POLICY HOLDER'S FUND	26,335	23,709	22,742
EQUITY			
Capital and reserves attributable to the company's shareholders			
Capital- Issued and fully paid, 3,111,572,984			
Ordinary stock units, no par value	6,570	2,927	2,927
Reserve Fund	3,161	3,158	3,158
Retained Earnings Reserve	5,693	5,243	4,943
Loan Loss Reserve	808	807	807
Other Reserves	27	27	27
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	(91)	275	112
Unappropriated Profits	17,106	14,953	14,258
	33,274	27,390	26,232
Minority Interest	1,314	-	-
	34,588	27,390	26,232
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	257,981	200,017	193,800

Note:

Where necessary, certain comparative amounts have been restated to conform to current year's presentation.

Director

Director



SCOTIA GROUP JAMAICA LIMITED

Consolidated Statement of Changes in Shareholders' Equity

Unaudited

<i>(\$ millions)</i>	Share Capital	Reserve Fund	Retained Earnings Reserve	Other Reserves	Loan Loss Reserve	Cumulative Remeasurement from AFS Assets	Unappropriated Profits	Minority Interest	Total
Balance at 31 October 2006	2,927	3,158	5,243	27	807	275	14,953	-	27,390
Unrealised Gains/(Losses) on available-for-sale investments, net of taxes						(338)			(338)
Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses						(28)			(28)
Net profit	-	-	-	-	-	-	5,367		5,367
Reserves relating to acquisition of subsidiary		3		-	1		(33)		(29)
Issue of preference shares							(100)		(100)
Issue of shares	3,643								3,643
Retained earnings transfer	-	-	450	-	-	-	(450)		-
Minority interests' net assets of acquired subsidiaries								1,314	1,314
Dividends paid	-	-	-	-	-	-	(2,631)		(2,631)
Gains/(losses) from changes in fair value, net of tax	-	-	-	-	-	-	-		-
Balance as at 31 July 2007	6,570	3,161	5,693	27	808	(91)	17,106	1,314	34,588



SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

Unaudited	For the period ended July 31, 2007							
(\$'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Gross External Revenues	4,864,881	6,892,495	4,337,519	3,163,279	3,313,161	1,368	188,495	22,761,198
Revenues from other segments	(3,104,184)	2,025,725	1,109,997	79,055	16,396	11,940	(138,929)	-
Total Revenues	1,760,697	8,918,220	5,447,516	3,242,334	3,329,557	13,308	49,566	22,761,198
Expenses	(88,178)	(6,480,265)	(3,992,747)	(2,793,701)	(2,129,361)	(2,557)	138,929	(15,347,880)
Unallocated expenses								(1,437)
Profit Before Tax	1,672,519	2,437,955	1,454,769	448,633	1,200,196	10,751	188,495	7,411,881
Income tax expense								(2,010,482)
Net profit								5,401,399

Consolidated Balance Sheet

	As at July 31, 2007							
(\$'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	74,739,787	41,197,467	43,362,981	62,915,214	33,025,861	173,258	(13,078,300)	242,336,268
Unallocated assets								15,644,845
Total Assets								257,981,113
Segment liabilities	330,913	74,875,532	65,902,811	55,512,639	26,808,468	51,739	(3,824,063)	219,658,039
Unallocated liabilities								3,736,252
Total liabilities								223,394,291
Other Segment items:								
Capital Expenditure	-	181,328	235,445	9,324	8,273	-		434,370
Impairment losses on loans	-	354,580	47,469	(102)	-	-		401,947
Depreciation	-	143,941	97,113	21,166	3,579	405		266,204



SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

Unaudited	For the period ended July 31, 2006							
(\$'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Gross External Revenues	4,665,083	5,605,656	4,600,090	1,928,087	3,012,286	1,496		19,812,698
Revenues from other segments	(2,702,599)	2,196,661	716,046	52,441	5,378	12,247	(280,174)	(0)
Total Revenues	1,962,484	7,802,317	5,316,136	1,980,528	3,017,664	13,743	(280,174)	19,812,698
Expenses	(67,213)	(5,728,367)	(3,833,608)	(1,756,687)	(1,891,958)	3,601	280,174	(12,994,058)
Unallocated expenses								
Profit before taxation	1,895,271	2,073,950	1,482,528	223,841	1,125,706	17,344	-	6,818,640
Income tax expense								(1,834,378)
Net profit								4,984,262

Consolidated Balance Sheet

	As at July 31, 2006							
(\$'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	71,882,291	32,591,184	38,401,029	19,307,007	27,733,150	173,839	(880,908)	189,207,592
Unallocated assets								4,592,007
Total Assets								193,799,599
Segment liabilities	-	67,645,856	57,100,544	17,857,613	22,830,059	58,475	(680,616)	164,811,931
Unallocated liabilities								2,755,839
Total liabilities								167,567,770
Other Segment items:								
Capital Expenditure	-	299,029	256,311	118	1,518	-		556,976
Impairment losses on loans	-	203,266	(3,737)	(487)	-	-		199,042
Depreciation	-	131,915	96,562	1,981	2,957	510		233,925



SCOTIA GROUP JAMAICA LIMITED

Notes to the Consolidated Financial Statements

July 31, 2007

1. Scheme of Reorganization

During the period, the reorganization of Scotiabank Jamaica was completed. This resulted in The Bank of Nova Scotia Jamaica Limited and Dehring Bunting and Golding Limited becoming subsidiaries of Scotia Group Jamaica Limited with percentage ownership of 100% and 68.54% respectively.

On July 1, 2007, Dehring Bunting and Golding Limited acquired 100% interest in the subsidiary Scotia Jamaica Investment Management Limited from The Bank of Nova Scotia Jamaica Limited and issued shares as purchase consideration for the acquisition. This increased Scotia Group Jamaica Limited's ownership in Dehring Bunting and Golding Limited to 77.01%.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards.

In 2006, the Group assessed the relevance of all new standards, interpretations and amendments and concluded that IAS 39 and IFRS 4 resulted in a substantial change to the Group's accounting policies.

IFRS 4 has affected the disclosures and classifications with respect to insurance contracts.

IAS 39 (revised 2005), The Fair Value Option, changed the definition of financial instruments classified at fair value through the Statement of Revenue and Expenses (Trading Securities) and restricts the ability to designate financial instruments as part of this category. The Group has adopted and complied with this amendment.

On May 1, 2007, the Group adopted IFRS 3 -Business Combinations, to account for the acquisition of Dehring, Bunting and Golding.

3. Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through statement of revenue and expenses; 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 Statement of Revenue and Expenses

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, financial assets at fair value through statement of revenue and expenses are carried at fair value. Loans and receivables investment is carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 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 equity.

Interest calculated using the effective interest method is recognized in the statement of revenue and expenses.



SCOTIA GROUP JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2007

4. 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.

Investment contracts are those that transfer financial risk with no significant insurance risk.

5. Loan loss provision

A 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 Balance Sheet.

6. 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 income statement, 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 balance sheet.

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.

7. 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.

8. Property, plant and equipment

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

9. Intangible Assets

This is primarily comprised of goodwill and other intangible assets arising from the acquisition of Dehring, Bunting and Golding Limited.

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.

Cash and cash equivalents are carried at amortised cost in the balance sheet.

11. Segment reporting

The Group is organized into five main business segments:

- Retail Banking – incorporating personal banking services, personal customer current accounts, saving deposits, custody, 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;
- Investment Management Services – incorporating investments and pension fund management and the administration of trust accounts;
- Insurance Services – incorporating the provision of life insurance and
- Other operations of the Group comprise non trading subsidiaries.

Transactions between the business segments are on normal commercial terms and conditions.

12. Comparative information

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