

Date: August 26, 2010

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THE BANK OF NOVA SCOTIA JAMAICA LIMITED

The Board of Directors is pleased to present the following results of The Bank of Nova Scotia Jamaica Limited for the third quarter ended July 31, 2010.



The Bank of Nova Scotia Jamaica Limited

Consolidated Statement of Income

Period ended July 31, 2010

Unaudited (\$millions)	For the three months ended			For the nine months ended	
	July 2010	April 2010	July 2009	July 2010	July 2009
GROSS OPERATING INCOME	8,078	9,015	9,775	26,451	27,702
Interest Income	6,462	6,758	8,500	21,367	23,731
Interest Expense	(1,754)	(1,993)	(2,602)	(6,321)	(7,457)
Net Interest Income	4,708	4,765	5,898	15,046	16,274
Impairment losses on loans	(399)	(464)	(428)	(1,284)	(1,264)
Net interest income after impairment losses	4,309	4,301	5,470	13,762	15,010
Net fee and commission income	1,016	845	862	2,605	2,643
Insurance revenue	384	974	186	1,563	563
Net foreign exchange trading income	234	243	225	723	762
Other revenue	(18)	195	2	193	3
	1,616	2,257	1,275	5,084	3,971
Total Operating Income	5,925	6,558	6,745	18,846	18,981
Operating Expenses					
Salaries and staff benefits	1,715	1,943	1,689	5,556	5,235
Property expenses, including depreciation	446	447	394	1,319	1,156
Other operating expenses	1,042	1,071	1,008	3,123	2,769
	3,203	3,461	3,091	9,998	9,160
Profit before taxation	2,722	3,097	3,654	8,848	9,821
Taxation	(705)	(651)	(853)	(2,114)	(2,434)
Profit for the period	2,017	2,446	2,801	6,734	7,387
Attributable to stockholders of parent company	2,017	2,446	2,801	6,734	7,387
Earnings per share based on 2,927,232,000 shares (cents)	69	84	96	230	252
Return on average equity (annualized)	19.18%	24.28%	31.51%	22.25%	29.10%
Return on assets (annualized)	3.23%	3.85%	4.72%	3.60%	4.15%
Productivity ratio	56.95%	55.89%	49.06%	56.04%	51.49%

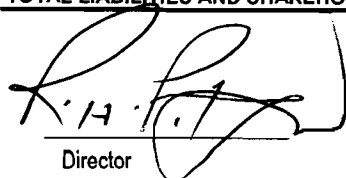


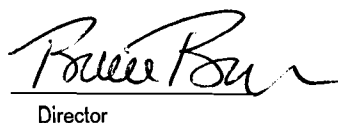
The Bank of Nova Scotia Jamaica Limited
Consolidated Statement of Comprehensive Income
Period ended July 31, 2010

Unaudited (\$ millions)	For the three months ended		For the nine months ended	
	July 2010	July 2009	July 2010	July 2009
Profit for the period	2,017	2,801	6,734	7,387
Other comprehensive income				
Unrealised gains on available for sale financial assets	145	1,237	1,141	867
Realised losses / (gains) on available for sale financial assets	14	(25)	(89)	-
Actuarial gains on defined benefit pension plan	156	115	469	343
Other actuarial losses	(83)	(52)	(275)	(155)
	232	1,275	1,246	1,055
Taxation	(28)	(385)	(367)	(336)
Other comprehensive income, net of tax	204	890	879	719
Total comprehensive income for the period	2,221	3,691	7,613	8,106
Attributable to stockholders of parent company	2,221	3,691	7,613	8,106

The Bank of Nova Scotia Jamaica Limited
Consolidated Balance Sheet
July 31, 2010

	Period ended July 31	Year Ended October 31	Period ended July 31
<i>Unaudited</i> (\$ millions)	2010	2009	2009
ASSETS			
CASH RESOURCES	53,637	58,412	53,003
INVESTMENTS			
Held To Maturity	15,966	46,577	42,222
Securities available for sale	67,754	25,843	26,353
	83,720	72,420	68,575
PLEDGED ASSETS	543	2,702	3,951
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	676	692	1,013
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	93,931	89,341	92,220
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	5,868	8,641	8,668
Property, plant and equipment	3,400	3,357	3,167
Deferred Taxation	5	-	-
Retirement Benefit Asset	6,296	5,827	5,745
Taxation Recoverable	971	703	612
Other assets	468	353	256
	17,008	18,881	18,448
TOTAL ASSETS	249,515	242,448	237,210
LIABILITIES			
DEPOSITS			
Deposits by public	142,991	139,233	137,665
Deposits due to other financial institutions	3,899	2,843	2,877
Other deposits	9,690	10,649	9,622
	156,580	152,725	150,164
OTHER LIABILITIES			
Acceptances, Guarantees & Letters of Credit	5,896	8,641	8,668
Liabilities under repurchase agreements	-	267	801
Redeemable Preference Shares	100	100	100
Deferred Taxation	2,530	2,210	1,856
Retirement Benefit Obligation	1,408	1,132	1,085
Other liabilities	4,118	4,795	4,551
	14,052	17,145	17,061
POLICY HOLDERS' FUND	36,235	34,408	33,061
SHAREHOLDERS' EQUITY			
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	10,902	10,602
Loan Loss Reserve	1,986	1,710	1,678
Other Reserves	3	3	3
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	387	(357)	(435)
Unappropriated Profits	22,276	19,818	18,982
	42,648	38,170	36,924
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	249,515	242,448	237,210


Director


Director



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Consolidated Statement of Changes in Shareholders' Equity
July 31, 2010

<i>Unaudited</i> (\$ 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 2008	2,927	3,158	8,702	9	3	1,295	(1,023)	16,645	31,716
Net profit	-	-	-	-	-	-	-	7,387	7,387
Other Comprehensive income									
Unrealised losses on available-for-sale securities, net of tax	-	-	-	-	-	-	588	-	588
Realised losses on available-for sale securities	-	-	-	-	-	-	-	-	-
Actuarial gains/ (losses), net of tax	-	-	-	-	-	-	-	130	130
Total Comprehensive Income	-	-	-	-	-	-	588	7,517	8,105
Transfer to Retained Earnings Reserve	-	-	1,900	-	-	-	-	(1,900)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	383	-	(383)	-
Dividends paid	-	-	-	-	-	-	-	(2,897)	(2,897)
Balance as at 31 July 2009	2,927	3,158	10,602	9	3	1,678	(435)	18,982	36,924
Balance at 31 October 2009	2,927	3,158	10,902	9	3	1,710	(357)	19,818	38,170
Net profit	-	-	-	-	-	-	-	6,734	6,734
Other Comprehensive income									
Unrealised losses on available-for-sale securities, net of tax	-	-	-	-	-	-	820	-	820
Realised losses on available-for sale securities	-	-	-	-	-	-	(76)	-	(76)
Actuarial gains/ (losses), net of tax	-	-	-	-	-	-	-	134	134
Total Comprehensive Income	-	-	-	-	-	-	744	6,868	7,612
Transfer to Retained Earnings Reserve	-	-	1,000	-	-	-	-	(1,000)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	276	-	(276)	-
Dividends paid	-	-	-	-	-	-	-	(3,134)	(3,134)
Balance at 31 July 2010	2,927	3,158	11,902	9	3	1,986	387	22,276	42,648



The Bank of Nova Scotia Jamaica Limited
Condensed Statement of Consolidated Cash Flows
July 31, 2010

<i>Unaudited</i> (\$ millions)	2010	2009
Cash flows provided by / (used in) operating activities		
Profit for the period	6,734	7,387
Items not affecting cash:		
Depreciation	316	271
Impairment losses on loans	1,284	1,264
Gain on acquisition of subsidiary	(9)	-
Other, net	(12,933)	(16,717)
	<u>(4,608)</u>	<u>(7,795)</u>
Changes in operating assets and liabilities		
Loans	(4,015)	(7,321)
Deposits	1,497	10,491
Securities sold under repurchase agreement	(267)	799
Policyholders reserve	1,827	2,500
Other, net	32,834	20,772
	<u>27,268</u>	<u>19,446</u>
Cash flows provided by / (used in) investing activities		
Investments	(8,204)	(14,995)
Repurchase Agreements	1,135	(484)
Property, plant and equipment, net	(357)	(629)
Acquisition of subsidiary	538	-
	<u>(6,888)</u>	<u>(16,108)</u>
Cash flows used in financing activities		
Dividends paid	(3,134)	(2,897)
	<u>(3,134)</u>	<u>(2,897)</u>
Effect of exchange rate on cash and cash equivalents	(577)	1,651
Net change in cash and cash equivalents	16,669	2,092
Cash and cash equivalents at beginning of year	13,859	10,824
Cash and cash equivalents at end of period	30,528	12,916
Represented by :		
Cash resources	53,637	53,003
Less statutory reserves at Bank of Jamaica	(15,848)	(17,315)
Less amounts due from Bank of Jamaica greater than ninety days	-	(16,524)
Less amounts due from other banks greater than ninety days	(6,313)	(2,433)
Less accrued interest on cash resources	(91)	(1,299)
Repurchase agreements less than ninety days	1,673	-
Cheques and other instruments in transit, net	(2,530)	(2,516)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	30,528	12,916



Segment Reporting Information

Consolidated Statement of Income

July 31, 2010

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	4,781	7,161	3,958	4,220	10	-	20,130
Revenues from other segments	(2,421)	1,254	1,167	(2)	2	-	-
Total Revenues	2,360	8,415	5,125	4,218	12	-	20,130
Expenses	(51)	(6,840)	(3,733)	(657)	(1)	-	(11,282)
Unallocated expenses							
Profit Before Tax	2,309	1,575	1,392	3,561	11	-	8,848
Taxation							(2,114)
Profit for the period							6,734

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	82,949	53,532	55,691	53,189	172	(2,832)	242,701
Unallocated assets							6,814
Total Assets							249,515
Segment liabilities	580	90,429	74,793	37,615	58	(1,766)	201,709
Unallocated liabilities							5,158
Total liabilities							206,867
Other Segment items:							
Capital Expenditure	-	190	167	-	-		357
Impairment losses on loans	-	1,144	140	-	-		1,284
Depreciation	-	188	124	4	-		316



Segment Reporting Information

Consolidated Statement of Income

July 31, 2009

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	5,924	6,526	4,079	3,700	17	-	20,246
Revenues from other segments	(3,081)	1,411	1,673	(1)	-	(2)	-
Total Revenues	2,843	7,937	5,752	3,699	17	(2)	20,246
Expenses	(45)	(6,069)	(3,861)	(450)	(2)	2	(10,425)
Unallocated expenses							
Profit Before Tax	2,798	1,868	1,891	3,249	15	-	9,821
Income tax expense							(2,434)
Net profit							7,387

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	78,188	50,931	57,552	45,720	159	(1,339)	231,211
Unallocated assets							5,999
Total Assets							237,210
Segment liabilities	1,051	86,726	74,619	34,111	58	(1,151)	195,414
Unallocated liabilities							4,872
Total liabilities							200,286
Other Segment items:							
Capital Expenditure	-	329	298	3	-		630
Impairment losses on loans	-	1,187	77	-	-		1,264
Depreciation	-	152	115	4	-		271



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Notes to the Consolidated Financial Statements

July 31, 2010

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. 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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Comparative information

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

3. Significant new standards and amendments to published standards that became effective during the period:

IAS 1 (Revised) Presentation of Financial Statements, effective for annual periods beginning on or after January 1, 2009. It requires the presentation of all non-owners changes in equity in one or two statements: either in a single statement of comprehensive income or in a statement of income and statement of comprehensive income. The Group has adopted the two statement presentation.

IFRS 8 Operating Segments, effective for annual periods beginning on or after January 1, 2009. It replaces IAS 14, and sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. This standard did not materially impact the Group's financial statements. The major segments are described in note 12.

4. 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.



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2010

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 profit and loss 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 income 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 income.

5. Pledged Assets

Assets are pledged as collateral under repurchase agreements with counterparties, as well as mandatory reserve deposits held with The Bank of Jamaica (BOJ).

\$millions	<u>Asset</u>		<u>Related Liability</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Securities Sold under Repurchase Agreements	-	2,400	-	551
Securities with BOJ and other Financial Institutions	<u>543</u>	<u>1,551</u>	<u>-</u>	<u>250</u>
	<u>543</u>	<u>3,951</u>	<u>-</u>	<u>801</u>

6. 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.

7. 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 balance sheet.

8. 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 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.

9. 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.

10. Property, plant and equipment

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



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2010

11. 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.

12. 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 subsidiaries.

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

13. Acquisition of subsidiary

On June 1, 2010, The Bank of Nova Scotia Jamaica Limited acquired 100% interest in Scotia DBG Merchant Bank, previously a wholly-owned subsidiary of Scotia DBG Investments Limited.