

Date: November 25, 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 fourth quarter ended October 31, 2010.



The Bank of Nova Scotia Jamaica Limited

Consolidated Statement of Income

Year ended October 31, 2010

(\$millions)	For the three months ended			For the year ended	
	October 2010	July 2010	October 2009	October 2010	October 2009
GROSS OPERATING INCOME	8,057	8,078	9,620	34,508	37,322
Interest Income	6,504	6,462	8,401	27,871	32,132
Interest Expense	(1,487)	(1,754)	(2,737)	(7,808)	(10,194)
Net Interest Income	5,017	4,708	5,664	20,063	21,938
Impairment losses on loans	(267)	(399)	(537)	(1,551)	(1,801)
Net interest income after impairment losses	4,750	4,309	5,127	18,512	20,137
Net fee and commission income	995	1,016	760	3,600	3,403
Insurance revenue	302	384	189	1,865	752
Net foreign exchange trading income	270	234	217	993	979
Other revenue	(14)	(18)	53	179	56
	1,553	1,616	1,219	6,637	5,190
Total Operating Income	6,303	5,925	6,346	25,149	25,327
Operating Expenses					
Salaries and staff benefits	1,612	1,643	1,842	6,975	6,890
Property expenses, including depreciation	419	446	370	1,738	1,526
Other operating expenses	1,122	1,042	1,171	4,245	3,940
	3,153	3,131	3,383	12,958	12,356
Profit before taxation	3,150	2,794	2,963	12,191	12,971
Taxation	(585)	(727)	(828)	(2,758)	(3,319)
Profit for the year	2,565	2,067	2,135	9,433	9,652
Attributable to stockholders of parent company	2,565	2,067	2,135	9,433	9,652
Earnings per share based on 2,927,232,000 shares (cent)	88	71	73	322	330
Return on average equity (annualized)	23.44%	19.66%	22.74%	22.44%	27.21%
Return on assets (annualized)	4.02%	3.31%	3.52%	3.70%	3.98%
Productivity ratio	52.06%	55.82%	56.95%	54.34%	52.19%



The Bank of Nova Scotia Jamaica Limited
Consolidated Statement of Comprehensive Income
Year ended October 31, 2010

(\$ millions)	For the three months ended		For the year ended	
	October 2010	October 2009	October 2010	October 2009
Profit for the year	2,565	2,134	9,433	9,652
Other comprehensive income				
Unrealised gains on available for sale financial assets	934	101	2,075	968
Realised losses / (gains) on available for sale financial assets	11	(43)	(78)	(43)
	945	58	1,997	925
Taxation	(222)	19	(530)	(260)
Other comprehensive income, net of tax	723	77	1,467	665
Total comprehensive income for the year	3,288	2,211	10,900	10,317
Attributable to stockholders of parent company	3,288	2,211	10,900	10,317

The Bank of Nova Scotia Jamaica Limited
 Consolidated Statement of Financial Position
 October 31, 2010

	Year ended October 31	Year Ended October 31
(\$ millions)	2010	2009
ASSETS		
CASH RESOURCES	55,814	58,412
INVESTMENTS		
Held To Maturity	14,470	46,577
Securities available for sale	71,199	25,843
	<u>85,669</u>	<u>72,420</u>
PLEDGED ASSETS	579	2,702
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	200	692
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	95,403	89,341
OTHER ASSETS		
Customers' Liability under acceptances, guarantees and letters of credit	5,320	8,641
Property, plant, and equipment	3,522	3,357
Retirement Benefit Asset	6,642	5,827
Taxation Recoverable	1,078	703
Other assets	884	353
	<u>17,446</u>	<u>18,881</u>
TOTAL ASSETS	255,111	242,448
LIABILITIES		
DEPOSITS		
Deposits by public	145,670	139,233
Deposits due to other financial institutions	3,612	2,843
Other deposits	9,963	10,649
	<u>159,245</u>	<u>152,725</u>
OTHER LIABILITIES		
Acceptances, Guarantees & Letters of Credit	5,320	8,641
Liabilities under repurchase agreements	-	267
Redeemable Preference Shares	100	100
Deferred Taxation	2,666	2,210
Retirement Benefit Obligation	1,502	1,132
Other liabilities	4,497	4,795
	<u>14,085</u>	<u>17,145</u>
POLICY HOLDERS' FUND	36,891	34,408
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
Reserve Fund	3,158	3,158
Capital Reserves	9	9
Retained Earnings Reserve	11,902	10,902
Loan Loss Reserve	2,082	1,710
Other Reserves	3	3
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	1,109	(358)
Unappropriated Profits	23,700	19,819
	<u>44,890</u>	<u>38,170</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	255,111	242,448



Director



Director



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

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

(\$ 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	-	-	-	-	-	-	-	9,652	9,652
Other Comprehensive income									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	-	-	617	-	617
Realised losses on available-for sale securities, net of taxes	-	-	-	-	-	-	48	-	48
Total Comprehensive Income							665	9,652	10,317
Transfer to Retained Earnings Reserve	-	-	2,200	-	-	-	-	(2,200)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	415	-	(415)	-
Dividends paid	-	-	-	-	-	-	-	(3,863)	(3,863)
Balance as at 31 October 2009	2,927	3,158	10,902	9	3	1,710	(358)	19,819	38,170
Balance at 31 October 2009	2,927	3,158	10,902	9	3	1,710	(358)	19,819	38,170
Net profit	-	-	-	-	-	-	-	9,433	9,433
Other Comprehensive income									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	-	-	1,543	-	1,543
Realised gains on available-for sale securities, net of taxes	-	-	-	-	-	-	(76)	-	(76)
Total Comprehensive Income							1,467	9,433	10,900
Transfer to Retained Earnings Reserve	-	-	1,000	-	-	-	-	(1,000)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	372	-	(372)	-
Dividends paid	-	-	-	-	-	-	-	(4,180)	(4,180)
Balance at 31 October 2010	2,927	3,158	11,902	9	3	2,082	1,109	23,700	44,890



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

(\$ millions)	2010	2009
Cash flows provided by / (used in) operating activities		
Profit for the year	9,433	9,652
Items not affecting cash:		
Depreciation	386	346
Impairment losses on loans	1,551	1,801
Gain on acquisition of subsidiary	(9)	-
Other, net	(17,397)	(18,672)
	<u>(6,036)</u>	<u>(6,873)</u>
Changes in operating assets and liabilities		
Loans	(7,523)	(4,964)
Deposits	6,495	12,277
Securities sold under repurchase agreement	(267)	267
Policyholders reserve	2,483	3,846
Other, net	34,338	17,813
	<u>29,490</u>	<u>22,366</u>
Cash flows provided by / (used in) investing activities		
Investments	(10,074)	(16,385)
Repurchase Agreements	131	(167)
Property, plant and equipment, net	(554)	(895)
Proceeds from sale of shares	182	126
Acquisition of subsidiary	(31)	-
	<u>(10,346)</u>	<u>(17,321)</u>
Cash flows used in financing activities		
Dividends paid	(4,180)	(3,863)
	<u>(4,180)</u>	<u>(3,863)</u>
Effect of exchange rate on cash and cash equivalents	(467)	1,792
Net change in cash and cash equivalents	14,497	2,974
Cash and cash equivalents at beginning of year	13,798	10,824
Cash and cash equivalents at end of year	28,295	13,798
Represented by :		
Cash resources	55,814	58,412
Less statutory reserves at Bank of Jamaica	(15,467)	(17,677)
Less amounts due from Bank of Jamaica greater than ninety days	-	(20,495)
Less amounts due from other banks greater than ninety days	(9,551)	(2,605)
Less accrued interest on cash resources	(131)	(2,014)
Repurchase agreements less than ninety days	200	556
Cheques and other instruments in transit, net	(2,570)	(2,379)
CASH AND CASH EQUIVALENTS AT END OF YEAR	28,295	13,798



Segment Reporting Information

Consolidated Statement of Income

October 31, 2010

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	6,003	9,936	5,284	5,394	84	-	26,701
Revenues from other segments	(2,994)	1,529	1,477	(1)	(1)	(10)	-
Total Revenues	3,009	11,465	6,761	5,393	83	(10)	26,701
Expenses	(64)	(9,130)	(4,385)	(925)	(16)	10	(14,510)
Unallocated expenses							
Profit Before Tax	2,945	2,335	2,376	4,468	67	-	12,191
Taxation							(2,758)
Profit for the year							9,433

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	84,728	55,621	55,358	54,189	1,087	(3,625)	247,358
Unallocated assets							7,753
Total Assets							255,111
Segment liabilities	480	89,113	79,241	37,269	58	(2,557)	203,604
Unallocated liabilities							6,617
Total liabilities							210,221
Other Segment items:							
Capital Expenditure	-	291	247	16	-		554
Impairment losses on loans	-	1,483	66	-	2		1,551
Depreciation	-	254	124	7	1		386



Segment Reporting Information

Consolidated Statement of Income

October 31, 2009

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	7,945	8,702	5,400	5,057	24	-	27,128
Revenues from other segments	(4,101)	1,896	2,273	(65)	(2)	(1)	-
Total Revenues	3,844	10,598	7,673	4,992	22	(1)	27,128
Expenses	(58)	(8,969)	(4,340)	(790)	(1)	1	(14,157)
Unallocated expenses							
Profit Before Tax	3,786	1,629	3,333	4,202	21	-	12,971
Taxation							(3,319)
Profit for the year							9,652

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	83,634	49,896	55,987	48,217	163	(1,628)	236,269
Unallocated assets							6,179
Total Assets							242,448
Segment liabilities	467	87,126	76,822	35,806	57	(1,441)	198,837
Unallocated liabilities							5,441
Total liabilities							204,278
Other Segment items:							
Capital Expenditure	-	480	408	8	-		896
Impairment losses on loans	-	1,705	96	-	-		1,801
Depreciation	-	195	144	6	1		346



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Notes to the Consolidated Financial Statements

October 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
October 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 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.

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	Asset		Related Liability	
	2010	2009	2010	2009
Securities Sold under Repurchase Agreements	-	1,200	-	267
Securities with BOJ and other Financial Institutions	<u>579</u>	<u>1,502</u>	<u>-</u>	<u>-</u>
	<u>579</u>	<u>2,702</u>	<u>-</u>	<u>267</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 statement of financial position.

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 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.

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.



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

10. Property, plant and equipment

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

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.