

Disclosure Statement on the Private Exchange Offer

[March 27, 2013] The Board of Directors of Scotia Group Jamaica Limited (Scotia Group Jamaica) has approved the participation of the Group and its subsidiaries in the Government of Jamaica's Private Exchange Offer made on March 22, 2013. The Bonds with a face value of \$4.88Bn will be exchanged for new bonds with lower coupons and amended tenure.

In commenting on this decision, Bruce Bowen, President and CEO of Scotia Group Jamaica, stated: "The Government of Jamaica advised that the Private Exchange Offer represents a critical component of complying with the prior actions required to conclude an agreement with the International Monetary Fund (IMF). Given our long history in and commitment to Jamaica we agreed that acceptance of this offer is in the best interests of our customers, communities and the country as a whole."

Participation in the Offer will not materially impact the financial position of the Group and its subsidiaries; however it will have a negative impact on the revenues of Scotia Group Jamaica.

Key capital adequacy ratios will remain above the regulatory requirements after the transaction is completed.

Scotia Group Jamaica has been in Jamaica for more than 123 years and is well capitalized to manage any effects from this programme. Our strong commitment to risk management and oversight and prudent capital management are principles that will continue to serve Scotia Group Jamaica well.

About Scotiabank:

Scotiabank has been in Jamaica since 1889 and is the premier financial institution in the country with just over 2,200 employees and 34 Branches Island wide. Scotiabank is a subsidiary of Scotiabank Group which offers a diverse range of products and services including personal, commercial, and small business banking; wealth management; insurance; and mortgages. The Group is an award winning institution having been named on numerous occasions as the Bank of the Year and Best Bank in Jamaica by international financial publications - the Banker, Latin Finance, Euromoney, and Global Finance magazines. The Scotiabank Group has \$375 billion in assets (as at January 2013). For more information please visit www.jamaica.scotiabank.com.

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