

April 1, 2011

Dear Valued Scotiabank Customer,

In an effort to keep our customers informed, we would like to update you on the Payments Systems Reform process being implemented by the Bank of Jamaica (BOJ).

The BOJ implemented a Real Time Gross Settlement (RTGS) system in February 2009. The RTGS is an on-line funds transfer system where the transfer of money is effected from one bank to another in "real time". The BOJ has indicated that effective April 1, 2011, financial transactions with a large value (i.e. \$5,000,000 and above) are to be cleared via the RTGS system instead of the "regular clearing" system (Automated Clearing House/ACH), where all cheques are now cleared. The BOJ has advised that each bank should reduce its large value transactions by 50% in 2011 and any bank that does not meet this target will be charged a penalty of \$5,000 for each transaction of this value which is processed through ACH after March 31, 2011.

What does this mean for you?

This means for any cheque that you write for \$5,000,000 or above, Scotiabank will debit a large value cheque fee of \$5,000 (plus GCT) to your account. Should BOJ advise Scotiabank that we will not be charged the deferred penalty fee at the end of the assessment period, we will then reimburse your account. Please also note that Manager's Cheques will no longer be issued for \$5,000,000 or above.

What are your options?

In order to avoid incurring the large value cheque fee, large payments can be done through our branch network, consult your nearest branch for details. Simply present information on your payee's bank, branch, and account number, and the funds will be electronically transferred from your account to the payee at a nominal cost. Another option, providing you have signed our fax and email indemnity form, can be to email or fax your instructions with the necessary details to your branch.

We do appreciate that BOJ's new fee will affect our customers but hope that by providing you with options, the impact will be minimal. Please contact your branch or call us at 1 888 4 SCOTIA if you have any further questions.

At Scotiabank we remain committed to our customers and look forward to further serving your financial needs in the future.

Yours sincerely,

 **Scotiabank Group**