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MEDIA RELEASE

SCOTIA GROUP JAMAICA LIMITED REPORTS STRONG FIRST QUARTER RESULTS

FIRST QUARTER 2008 HIGHLIGHTS (Year to Date)

- **Net Income of $2,193 million**
- **Net Income available to common shareholders of $2,135 million**
- **Earnings per share of $0.69**
- **Return on Average Equity 24.40%**
- **Productivity ratio of 55.17%**
- **First Quarter dividend of 32 cents per share**

Scotia Group Jamaica Limited (Scotia Group) today reported strong first quarter results of $2,135 million net income available to common shareholders, an increase of $521 million or 32% when compared to the same period last year. The current year's net income includes the results of Dehring Bunting & Golding Limited (DB&G), which was acquired on May 1, 2007.

William E. Clarke, President and CEO said "We are pleased to begin the new fiscal year with such a strong performance. All major business lines continue to deliver strong sustainable growth and earnings, despite the reduction in interest margins and the challenging economic environment. Our retail portfolio demonstrated very strong volume growth of over $9 Billion in our Scotia Plan Loans, Mortgages (SJBS) and Credit card portfolios. With this strong start to the 2008 fiscal year, we are well positioned to achieve our key targets for 2008. Scotia Group results are reflective of our core strengths in cost control, risk management and customer satisfaction."

The contribution to net income by our subsidiaries are outlined below:-

	$'Million	% Contribution
The Bank of Nova Scotia Jamaica Limited	1,340	62.76%
Scotia Jamaica Life Insurance Company Limited	491	23.00%
Dehring Bunting & Golding Limited	195	9.13%
Scotia Jamaica Building Society	109	5.11%
Net Income attributable to common shareholders	2,135	100.00%

Earnings per share (EPS) for the quarter was $0.69, compared to $0.55 for last year, while Return on Average Equity (ROE) remains very strong at 24.40%.

The Board of Directors today, approved an interim dividend of 32 cents per stock unit, payable on March 28, 2008 to stockholders on record at March 5, 2008.

REVENUES

Total Revenue comprising net interest revenue and other income was $6,707 million, an increase of $1,567 million or 30.49% from prior year.

NET INTEREST INCOME

Net interest income was $5,172 million, up $1,076 million when compared to last year. This is as a result of strong portfolio volume growth primarily in our retail portfolio. Interest income earned from securities also increased, due to volume growth in the investment, pledged assets and repurchase agreement portfolios resulting from the acquisition of DB&G in May 2007.

OTHER REVENUE

Other revenue, excluding Insurance Premium Income, was $1,345 million, up $442 million when compared with last year. This was driven mainly by the growth in foreign exchange trading profit, securities trading income, credit and electronic banking related fees. Insurance Premium is attributable to ScotiaMINT, the interest sensitive life insurance policy and Creditor Life insurance, marketed by SJLIC. Combined net premium income for both products increased by approximately $49 million when compared to prior year. SJLIC reported gross premium income of $1.2 billion for the three month period.

NON-INTEREST EXPENSES AND PRODUCTIVITY

The Group continues to pay close attention to expense control and risk management. Our productivity ratio (non-interest expense as a percentage of total revenue) - a key measure of cost efficiency - was 55.17%. 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 46.57%, which is significantly better than the international benchmark of 60%.

Non-interest Expenses excluding Change in Policyholders' Reserve and Loan Loss Provisions, were $2,952 million, an increase of $782 million over last year of which $271 Million relate to the inclusion of DB&G in the consolidated results. The balance of $511 million was due to increased staff costs, amortization of the intangible assets resulting from the acquisition of DB&G, and computer related expenses. Policyholders Reserves for ScotiaMINT's life insurance fund is directly attributed to the business in force.

CREDIT QUALITY

Non-performing Loans at January 31, 2008 were $2,155 million, of which $787 million relates to the consolidation of DB&G. The non-performing loans for the BNSJ Group were $1,368 million, this was an increase of $268 million when compared to $1,100 million a year ago, and $52 million above the previous quarter ended October 31, 2007. The BNSJ Group's non-performing loans now represent 1.75% of total loans and 0.65% of total assets compared to 1.74% and 0.54% respectively in prior year. DB&G's non-performing loans reduced marginally by $5 million over the previous quarter, and represents 1.33% of total assets.

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 $832 million, of which $634 million is specific and $198 million is general.

The loan loss provision as determined by Regulatory Requirement is $1,906 million, of which $384 million relates to provisions established by DB&G. BNSJ Group's loan loss provision is $1,522 million which exceeds total non-performing loans by $154 million, and provides coverage of 111% of BNSJ Group'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 $67 Billion or 33% to $272 Billion as at January 31, 2008. The consolidation of DB&G contributed $37 Billion to the growth in assets. The Group's performing loans were $81 billion, up $19 Billion over the previous year, as we continue to experience significant growth in retail lending, and have seen an improvement in the demand for commercial loans. Investments, pledged assets and repurchase agreements increased by $42 Billion of which $31 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 $141.4 billion, up $18 billion 14.51% from the previous year, reflecting continued confidence in Scotiabank.

CAPITAL

Scotia Group's capital base continues to be very strong. Total shareholders equity grew to $36 billion, $7.5 Billion more than prior year, this was due mainly to an increase of $3.6 Billion in the share capital of Scotia Group Jamaica Limited in May 2007 and $3 billion in the retained earnings. We continue to build a strong capital position to enable us to take advantage of future growth opportunities.

OUR COMMITMENT TO THE COMMUNITY

Scotiabank demonstrated its continuing commitment to Jamaica with tangible contributions through the Scotiabank Jamaica Foundation and other public relations activities. On January 2, 2008, we marked the 100th Anniversary of the Port Maria branch and held a week of activities which celebrated and recognized the loyalty and dedication of our customers since 1908.

During the quarter, the Bank launched a major strategy to command market share in the small and medium enterprise sector with the establishment of the Scotiabank Chair in Entrepreneurship and Development at the Technology Innovation Center, University of Technology. The Scotiabank Jamaica Foundation is funding the Chair at a cost of $32.5 million to be disbursed over the next five years. The main beneficiaries will be micro, small and medium-sized enterprises (MSMEs) and Business Associations who will benefit from the Enterprise-Wide Risk Management and Financing Programme, research and training.

The Bank also committed $12 million in sponsorship of the Jamaica Netball Association. The sponsorship will provide $4 million annually to the association and positions Scotiabank as the main sponsor of the Scotiabank Netball Training Camp and of the JNA. This further demonstrates our commitment to the growth and development of our youth. We also launched the second year of our HIV and AIDS Education Programme to build awareness in primary schools – the Speak Up! Speak Out! Education Programme - and formed a partnership with the Jamaica Cultural Development Commission to include items on HIV and AIDS and healthy lifestyles in the annual festival of the arts competition. In December 2007, the Bank handed over new musical instruments to the Jamaica Constabulary Force Band valued at $3.3 million to replace those which have been in use since the band started in 1954. The Bank also hosted the annual launch of the Salvation Army Christmas Kettle Appeal and donated $450,000 to the Appeal.

Through the Scotiabank Jamaica Foundation we contributed $9.3 million to the Education sector. In the Health sector, we contributed a total of $979,000 towards maintenance of the Scotiabank Centennial Accident & Emergency Unit at the University Hospital of the West Indies and the maintenance of the Jamaica Cancer Society's Mobile Mammography Unit. We also continued with the provision of meals for the 45 residents at the Golden Age Home in Kingston at a cost of $252,000.

Awards

Scotiabank and Dehring Bunting & Golding Limited dominated the annual Jamaica Stock Exchange Best Practices Awards taking four of the six awards in December 2007. Scotiabank won first place for Best Practices Annual Report as well as the Governor General's Award for Overall Excellence. Dehring Bunting & Golding won second place for Best Practices Annual Report and third place for the Best Practices Website for Listed Companies.

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 employees 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

	For the three months ended		
Unaudited	**January**	**October**	**January**
($ millions)	**2008**	**2007**	**2007**
GROSS OPERATING INCOME	**9,262**	**8,929**	**6,970**
INTEREST INCOME			
Loans and deposits with banks	4,167	3,782	3,467
Securities	3,560	3,579	2,459
	7,727	7,361	5,926
INTEREST EXPENSE			
Deposits and repurchase agreements	2,555	2,594	1,830
Net interest income	5,172	4,767	4,096
Provision for credit losses	(83)	(124)	(160)
Net interest income after provision for credit losses	5,089	4,643	3,936
Net fee and commission income	962	829	698
Insurance premium income	190	174	141
Gains less losses from foreign currencies	295	361	202
Other operating income	88	204	3
	1,535	1,568	1,044
TOTAL OPERATING INCOME	**6,624**	**6,211**	**4,980**
OPERATING EXPENSES			
Staff costs	1,717	1,490	1,284
Premises and equipment, including depreciation	399	411	338
Amortisation of intangible assets	55	135	-
Changes in policyholders' reserves	665	640	585
Other operating expenses	781	779	548
	3,617	3,455	2,755
OPERATING PROFIT	**3,007**	**2,756**	**2,225**
Share of profits in associated company	-	-	**19**
PROFIT BEFORE TAXATION	**3,007**	**2,756**	**2,244**
Taxation	**(814)**	**(547)**	**(630)**
PROFIT AFTER TAXATION	**2,193**	**2,209**	**1,614**
ATTRIBUTABLE TO:			
Stockholders of the company	2,135	2,126	1,614
Minority interest	58	83	-
	2,193	**2,209**	**1,614**
Earnings per share based on 3,111,572,984 shares (cents)	**69**	**68**	**55**
Return on average equity (annualised)	**24.39%**	**25.16%**	**23.25%**
Return on assets (annualised)	**3.14%**	**3.23%**	**3.15%**
Productivity ratio	**55.17%**	**56.49%**	**56.69%**
Productivity ratio (excluding Life Insurance Business)	**46.57%**	**47.70%**	**46.59%**

Scotia Group Jamaica Ltd.
Consolidated Balance Sheet

Unaudited *($ millions)*	Period ended January 31 2008	Year ended October 31 2007	Period ended January 31 2007
ASSETS			
CASH RESOURCES	58,020	55,104	60,703
INVESTMENTS			
Held To Maturity	33,135	39,225	29,642
Financial assets at fair value through statement of revenue and expenses	916	1,125	330
Securities available for sale	21,826	21,646	15,599
	55,877	61,996	45,571
INVESTMENT IN ASSOCIATED COMPANY	-	-	1,064
PLEDGED ASSETS	38,224	34,665	21,431
CAPITAL MANAGEMENT AND GOVERNMENT SECURITIES FUND	16,119	14,060	-
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	556	1,156	302
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	82,390	76,667	62,731
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	8,272	7,829	3,967
Real estate and equipment at cost, less depreciation	2,745	2,702	2,383
Deferred Taxation	-	-	2
Taxation Recoverable	1,452	1,293	597
Retirement Benefit Asset	4,960	4,840	4,422
Other assets	500	286	1,396
Intangible Assets	2,472	2,528	-
	20,401	19,478	12,767
TOTAL ASSETS	**271,587**	**263,126**	**204,569**
LIABILITIES			
DEPOSITS			
Deposits by public	134,486	131,018	116,073
Other deposits	6,973	6,860	7,457
	141,459	137,878	123,530
OTHER LIABILITIES			
Acceptances, guarantees and Letters of Credit	8,272	7,829	3,967
Liabilities under repurchase agreements	31,583	31,530	17,879
Promissory Notes	627	607	-
Capital Management and Government Securities Fund	16,118	14,060	-
Redeemable Preference Shares	100	100	-
Deferred Taxation	1,928	1,794	1,561
Retirement Benefit Obligation	775	723	547
Assets Held in Trust on behalf of Participants	52	53	-
Other liabilities	5,291	5,269	4,235
	64,746	61,965	28,189
POLICY HOLDER'S FUND	27,731	26,974	24,705
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	6,570	2,927
Reserve Fund	3,185	3,161	3,158
Retained Earnings Reserve	6,328	5,993	5,393
Loan Loss Reserve	1,050	1,046	807
Other Reserves	27	27	27
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	(120)	(212)	265
Unappropriated Profits	18,627	17,789	15,568
	35,667	34,374	28,145
Minority Interest	1,984	1,935	-
	37,651	36,309	28,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**271,587**	**263,126**	**204,569**

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

$millions	**Share Capital**	**Reserve Fund**	**Retained Earnings Reserve**	**Other Reserves**	**Loan Loss Reserve**	**Remeasurement result from Available for Sale financial assets**	**Unappropriated Profits**	**Total**	**Minority Interest**	**Total Equity**
Balance at 31 October 2006	**2,927**	**3,158**	**5,243**	**27**	**807**	**275**	**14,953**	**27,390**	**-**	**27,390**
Unrealised Gains/(Losses) on available-for-sale investments, net of taxes						(454)		**(454)**		**(454)**
Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses						(33)		**(33)**		**(33)**
Net profit							7,493	**7,493**	117	**7,610**
Transfer to Reserve Fund		2					(2)	**-**		**-**
Transfer to Loan Loss Reserve					239		(239)	**-**		**-**
Issue of Preference Shares							(100)	**(100)**		**(100)**
Issue of Shares	3,643							**3,643**		**3,643**
Transfer to Retained Earnings Reserve			750				(750)	**-**		**-**
Minority interests' net assets of acquired subsidiaries								**-**	1,912	**1,912**
Dividends Paid							(3,565)	**(3,565)**	(94)	**(3,659)**
								-		**-**
Balance at 31 October 2007	**6,570**	**3,161**	**5,993**	**27**	**1,046**	**(212)**	**17,789**	**34,374**	**1,935**	**36,309**
Unrealised Gains/(Losses) on available-for-sale investments, net of taxes						100		100	12	**112**
Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses						(8)		(8)		**(8)**
Net profit							2,135	2,135	58	**2,193**
Transfer to Reserve Fund		24					(24)			
Transfer to Loan Loss Reserve					4		(4)			
Transfer to Retained Earnings Reserve			335				(335)			
Dividends Paid							(934)	(934)	(21)	**(955)**
Balance at 31 January 2008	**6,570**	**3,185**	**6,328**	**27**	**1,050**	**(120)**	**18,627**	**35,667**	**1,984**	**37,651**

Scotia Group Jamaica Limited
Condensed Consolidated Statement of Cash Flows

(Unaudited) *($ millions)*	Three Months Ended January 31, 2008	Three Months Ended January 31, 2007
Cash flows provided by / (used in) operating activities		
Net Income	2,193	1,614
Adjustments to net income		
Depreciation	96	85
Impairment losses on loans	83	160
Other, net	1,611	360
	3,983	2,219
Changes in operating assets and liabilities		
Loans	(5,756)	(3,232)
Deposits	3,253	2,590
Policyholders reserve	757	996
Other, net	(8,044)	3,446
	(5,807)	6,019
Cash flows provided by / (used in) investing activities		
Investments	(4,193)	(818)
Repurchase Agreements, net	943	(5)
Promissory Notes	11	-
Property, plant and equipment, net	(137)	(118)
	(3,376)	(941)
Cash flows used in financing activities		
Dividends paid	(955)	(849)
	(955)	(849)
Effect of exchange rate on cash and cash equivalents	(71)	247
Net change in cash and cash equivalents	(10,209)	4,476
Cash and cash equivalents at beginning of year	30,434	25,623
Cash and cash equivalents at end of period	**20,225**	**30,099**
Represented by :		
Cash Resources	57,649	60,165
Statutory reserves at Bank of Jamaica	(11,100)	(9,866)
Interest bearing deposits with Central Bank greater than ninety days	(14,127)	(14,070)
Interest bearing deposits with banks greater than ninety days	(9,135)	(2,750)
Cheques and other instruments in transit, net	(3,062)	(3,380)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**20,225**	**30,099**

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

Unaudited

For the period ended January 31, 2008

($'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Gross External Revenues	1,731,213	2,797,764	1,621,852	1,769,132	1,342,717	921,241	(921,577)	9,262,342
Revenues from other segments	(1,087,330)	612,318	487,560	7,149	3,863	1,445	(25,005)	-
Total Revenues	643,883	3,410,082	2,109,412	1,776,281	1,346,580	922,686	(946,582)	9,262,342
Expenses	(19,478)	(2,517,790)	(1,519,290)	(1,389,067)	(784,379)	(174)	(25,005)	(6,255,183)
Unallocated expenses								
Profit Before Tax	624,405	892,292	590,122	387,214	562,201	922,512	(971,587)	**3,007,159**
Income tax expense								(813,497)
Net profit								**2,193,662**

Consolidated Balance Sheet

As at January 31, 2008

($'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	76,942,100	46,965,051	46,785,949	59,072,269	34,956,925	9,551,184	(7,971,021)	266,302,457
Unallocated assets								5,284,095
Total Assets								271,586,552
Segment liabilities	-	78,837,072	70,658,336	52,864,044	27,888,386	58,797	(880,925)	229,425,710
Unallocated liabilities								4,509,718
Total liabilities								233,935,428
Other Segment items:								
Capital Expenditure	-	70,964	57,310	6,268	52	-		134,594
Impairment losses on loans	-	96,875	(10,822)	(2,791)	-	-		83,262
Depreciation	-	46,435	29,974	18,133	1,020	135		95,697

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

Unaudited

($'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Consol. adj.	Group Total
	For the period ended January 31, 2007							
Gross External Revenues	1,612,408	2,227,914	1,411,084	631,397	1,087,024	498		6,970,325
Revenues from other segments	(1,047,350)	688,129	377,891	21,600	6,639	4,298	(51,207)	-
Total Revenues	565,058	2,916,043	1,788,975	652,997	1,093,663	4,796	(51,207)	6,970,325
Expenses	(25,506)	(2,129,578)	(1,366,753)	(570,456)	(704,384)	(175)	51,207	(4,745,645)
Unallocated expenses								
Operating Profit	539,552	786,465	422,222	82,541	389,279	4,621	-	2,224,680
Share of Profit in Associate								19,734
Profit Before Tax								**2,244,414**
Income tax expense								(630,374)
Net profit								**1,614,040**

Consolidated Balance Sheet

($'000s)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Consol. adj.	Group Total
	As at January 31, 2007							
Segment assets	75,367,471	36,633,157	37,316,354	19,643,441	30,338,795	170,217	(1,757,748)	197,711,687
Unallocated assets								6,857,197
Total Assets								204,568,884
Segment liabilities	1,383,629	71,693,511	59,220,259	18,058,053	24,776,156	52,360	(1,547,456)	173,636,512
Unallocated liabilities								2,787,582
Total liabilities								176,424,094
Other Segment items:								
Capital Expenditure	-	59,225	57,010	59	1,740	-		118,034
Impairment losses on loans	-	128,693	31,305	(239)	-	-		159,759
Depreciation	-	48,639	34,836	468	874	135		84,952

1. Identification

Scotia Group Jamaica Limited (the Company) is a 71.78% subsidiary of The Bank of Nova Scotia (100%), which is incorporated and domiciled in Canada and is the ultimate parent.

The Company is the parent of the Bank of Nova Scotia Jamaica Limited (100%) and Dehring Bunting & Golding Limited (77.01%).

2. Basis of presentation

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

Comparative Information

The Bank of Nova Scotia Jamaica Limited effected a reorganization as a part of the Scheme of Arrangement which occurred during 2007, whereby the shareholders of the Bank exchanged their shares in the Bank for shares in the Company. Resulting from this reorganization, the comparative information in the consolidated financial statements and other financial information for prior years represent the consolidated financial information for The Bank of Nova Scotia Jamaica Limited.

Basis of consolidation

The consolidated financial statements include the assets, liabilities, and results of operation of the Company 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 the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

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.

4. Insurance 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.

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 reprice 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**
The Group operates both a defined benefit and a defined contribution pension plan, the assets of which are held in separate trustee-administered funds.

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.

Defined contribution plan- contributions to this plan are charged to the Statement of Revenue and Expenses in the period to which they relate.

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. **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.

10. **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, unit trusts and pension fund management, brokerage and advisory services, 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.