Scotia DBG Investments

Date: May 22, 2008

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MEDIA RELEASE

SCOTIA DBG INVESTMENTS LIMITED REPORTS INCREASED NET PROFIT IN SECOND QUARTER

HIGHLIGHTS FOR SIX MONTHS ENDED APRIL 30, 2008

- **Net Income of $637 million**
- **Earnings per share of $1.51**
- **Return on Average Equity 21.35%**
- **Productivity ratio of 38.21%**
- **First Quarter dividend of 27.5 cents per share**

Scotia DBG Investments Limited (SDBG) today reported its unaudited financial results for the six months ended April 30, 2008. Net income for the quarter amounted to $333 million, representing a 9.1% increase over the $305 million earned in the previous quarter and $218 million greater than the $115 million recorded in the same period last year. This translated to Earnings per share (EPS) of 79 cents for the quarter, compared to 37 cents for the quarter ended April 30, 2007. For the six-month period, net income was $637 million, double the $319 million reported last year. EPS for the half year was $1.51 as compared to $1.03 for the six months ended April 30, 2007.

In commenting on the results CEO of SDBG, Anya Schnoor, stated, “the past six months has seen tremendous turbulence in the global financial market place. The increases in oil and commodity prices have had a tremendous impact on local inflation and interest rates. Our results for the first six months of our financial year reflect a keen focus on interest rate and expense management. The integration of Scotia Jamaica Investments Limited in July 2007, has allowed the company to leverage its infrastructure and position itself for growth. Our emphasis in the coming months will focus on improving our service delivery channels and enhancing our overall customer experience”.

During the period Dehring Bunting & Golding Limited was rebranded to Scotia DBG Investments Limited. This was a huge undertaking involving many departments and persons throughout the wider Scotiabank Group. The name change of the company was approved by shareholders at the AGM on February 15th, 2008, and was launched to the public on April 21, 2008. This new brand truly represents the coming together of two great institutions, and will allow the company to position itself as a truly global player in the wealth management industry.

REVENUES

Total Revenue comprising of net interest revenue and other income was $1.3 billion for the six-month period, an increase of $525 million or 67% from the like period last year.

Net Interest Income

Net interest income for the quarter amounted to $443 million, a 74% increase over the $254 million reported last year and 1% greater than the previous quarter's $440 million. Net interest income for the half year amounted to $883 million, impressively topping last year's $468 million by 88%.

Other Revenue

Other revenue for the six-month period rose 35% to $427 million from the $315 million reported last year. The increase was buoyed by a 43% or $43 million increase in Fee and Commission income and a 58% increase in gains on securities trading amounting to $56 million.

Gains from foreign exchange trading rose by $12 million for the six month period to $128 million; an 11% increase.

NON-INTEREST EXPENSES AND PRODUCTIVITY

Expense management activities continue to be the mantra for all employees. Non-interest expenses amounted to $500 million for the half year, an increase of 8% over the similar period last year.

Our productivity ratio (non-interest expense as a percentage of net revenue) - a key measure of cost efficiency - was 38.2% for the period, a considerable improvement over the 58.8% for the same period last year. This improvement is largely influenced by the synergies and efficiencies that have accrued from the merger with SJIM.

BALANCE SHEET

Total assets increased over the year by $25.5 billion or 66% to $64 billion as at April 30, 2008. This considerable increase in the asset base is mainly as a result of the acquisition of SJIM, as well as a growth of 43% in our Capital Management and Government Securities Fund products.

CAPITAL

SDBG's capital base continues to grow to support the development plans for the company. Total shareholders equity rose to $6.3 billion, an increase of $1.9 billion over the equity reported as at April 30, 2007.

DIVIDEND

At the Board of Directors meeting on May 21, 2008, the Board approved an interim dividend of 27.5 cents per stock unit, payable on July 3, 2008, to stockholders on record as at June 12, 2008.

NON-FINANCIAL HIGHLIGHTS

Since the rebranding in April, SDBG has hosted a series of Investment Seminars throughout the island. These seminars have focused on the benefits of investing in equities and mutual funds, and highlighted the depth of the talent and expertise within our organisation. The presenters included Tom DaSilva, Senior Sales Manager, Scotiabank Toronto, Christopher Chin-Loy, Assistant Vice President – Stockbrokerage and Structured Products Unit, and Clay Moodie Assistant Vice President – Treasury and Asset Trading.

SDBG's commitment to share information with its clients and the wider community involved us hosting the 4th Scotia Roundtable with its partners in the wider Scotia Wealth Management Division, and participating in the Today's Money Expo and JSE Investment Symposium.

Scotia DBG echoes the sentiments of the Scotia Group Jamaica family, in thanking all of our stakeholders for their continued support. To our clients, thank you for your loyalty and allowing us to be your most trusted financial advisor. To our shareholders, thank you for the commitment, trust and confidence. To our employees, our continued success is as a result of great execution by our dedicated and skilled team. Your consistent focus on customer satisfaction will ensure that we deliver superior customer service in true Scotia DBG style, and for that we say thank you.

Scotia DBG Investments

STATEMENT OF CONSOLIDATED REVENUES AND EXPENSES

Unaudited ($000's)	For the three months ended April 2008	For the three months ended January 2008	For the three months ended April 2007	For the six months ended April 2008	For the six months ended April 2007
GROSS OPERATING INCOME	**1,856,132**	**1,776,282**	**983,315**	**3,632,412**	**2,151,372**
Interest income	1,647,190	1,558,391	900,583	3,205,580	1,835,658
Interest expense	(1,188,372)	(1,121,137)	(655,623)	(2,309,509)	(1,377,400)
Net Interest Income	**458,818**	**437,254**	**244,960**	**896,071**	**458,258**
Provision for loan loss	(16,157)	2,791	9,505	(13,366)	10,283
Net interest income afer provision for loan loss	**442,661**	**440,045**	**254,465**	**882,705**	**468,541**
Net fee and commission income	68,546	75,048	45,407	143,594	100,302
Gains less losses on securities trading	67,730	83,715	(8,727)	151,444	95,857
Gains less losses from foreign currencies	71,985	55,647	44,191	127,632	115,180
Other Income	681	3,481	1,861	4,162	4,375
	208,942	**217,891**	**82,732**	**426,832**	**315,714**
TOTAL OPERATING INCOME	**651,603**	**657,936**	**337,197**	**1,309,537**	**784,255**
OPERATING EXPENSES					
Salaries, pension contributions and other staff benefits	121,261	166,001	131,471	287,262	262,441
Property expenses, including depreciation and amortisation	58,372	41,941	54,833	100,313	94,771
Other operating expenses	50,009	62,776	30,661	112,785	104,030
	229,642	270,718	216,965	500,360	461,242
PROFIT BEFORE TAXATION	**421,961**	**387,218**	**120,232**	**809,177**	**323,013**
Taxation	(89,413)	(82,482)	(5,304)	(171,895)	(3,822)
NET PROFIT	**332,548**	**304,736**	**114,928**	**637,282**	**319,191**
Earnings per stock unit - Basic (cents)	**79**	**72**	**37**	**151**	**103**
Return on average equity	**22.22%**	**21.05%**	**11.04%**	**21.35%**	**15.38%**
Productivity ratio	**35.24%**	**41.15%**	**64.34%**	**38.21%**	**58.81%**

Scotia DBG Investments

CONSOLIDATED BALANCE SHEET

Unaudited ($000's)	Six months ended April 30 2008	Year ended October 31 2007	Six months ended April 30 2007
ASSETS			
CASH RESOURCES	1,222,408	984,091	500,358
INVESTMENTS			
Financial assets at fair value through statement of revenue and expenses	1,054,827	1,045,225	988,290
Securities available-for-sale	2,942,264	2,225,840	1,460,735
	3,997,091	3,271,065	2,449,025
PLEDGED ASSETS	37,237,106	33,560,537	18,698,702
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	3,481,808	3,475,612	3,878,168
LEASES AND HIRE PURCHASE CONTRACTS	103,049	85,282	80,256
CAPITAL MANAGEMENT ACCOUNT & GOVERNMENT SECURITIES FUND	16,698,564	14,059,606	11,674,033
OTHER ASSETS			
Customers' liabilities under guarantees	604,556	474,174	441,430
Tax recoverable	114,112	40,420	35,050
Sundry assets	159,523	148,588	267,852
Property, plant and equipment at cost, less depreciation	132,554	148,606	158,273
Intangible assets at cost, less amortisation	34,707	42,899	42,414
Deferred tax assets	-	-	7,256
Goodwill	61,723	61,723	61,723
	1,107,175	916,410	1,013,998
TOTAL ASSETS	**63,847,201**	**56,352,603**	**38,294,540**
LIABILITIES			
DEPOSITS			
Deposits by the public	3,305,832	3,143,227	2,662,871
CAPITAL MANAGEMENT ACCOUNT & GOVERNMENT SECURITIES FUND OBLIGATIONS	16,695,307	14,059,606	11,674,033
OTHER LIABILITIES			
Promissory notes	935,787	607,183	829,682
Guarantees issued	604,557	474,174	441,430
Liabilities under repurchase agreements	35,070,605	31,858,054	18,093,176
Other liabilities	630,742	128,150	78,632
Taxation payable	4,388	22,713	3,638
Deferred taxation	177,973	26,758	-
Assets held in trust on behalf of participants	79,173	82,300	36,356
	37,503,225	**33,199,332**	**19,482,914**
STOCKHOLDERS' EQUITY			
Share capital	1,911,903	1,911,903	224,457
Statutory reserve fund	75,212	75,212	43,086
Retained earnings reserve	240,224	240,224	-
Cumulative remeasurement result from available-for-sale financial assets	537,707	577,221	1,086,920
Loan loss reserve	57,266	57,266	26,068
Capital reserve	22,075	22,075	22,075
Reserve for own shares	(84,635)	(88,746)	(43,948)
Retained profits	3,583,085	3,155,283	3,116,064
	6,342,837	**5,950,438**	**4,474,722**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**63,847,201**	**56,352,603**	**38,294,540**

Note:
Where necessary, certain comparative amounts have been restated to conform to current year's presentation.

Director

Director

Scotia DBG Investments

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Unaudited ($000's)	Share Capital	Reserve Fund	Retained Earnings Reserve	Cumulative Re-measurement Result from Available-for-sale Financial Assets	Loan Loss Reserve	Capital Reserve	Reserve for own shares	Unappropriated Profits	Total
Balances as at 31 March 2007	**224,457**	**64,561**	**173,160**	**1,051,318**	**26,079**	**22,075**	**(43,948)**	**2,890,404**	**4,408,106**
Shares issued	1,687,446	-	-	-	-	0	0	0	1,687,446
Unrealised losses on available-for-sale investments transferred to statement of revenues and expenses	-	-	-	(469,045)	-	-	-	-	(469,044)
Realised gains on available-for-sale investments transferred to statement of revenues and expenses	-	-	-	(5,052)	-	-	-	-	(5,052)
Loan loss reserve transfer	-	-	-	-	31,187	-	-	(31,187)	-
Dividends paid	-	-	-	-	-	-	-	(312,514)	(312,514)
Net profit for the period	-	-	-	-	-	-	-	686,295	686,295
Own shares acquired by ESOP	-	-	-	-	-	-	(44,799)	-	(44,799)
Transfer to retained earnings reserve	-	-	67,064	-	-	-	-	(67,064)	-
Transfer to reserve fund	-	10,651	-	-	-	0	0	(10,651)	0
Movement for the year	1,687,446	10,651	67,064	-474,097	31,187	0	(44,799)	264,879	1,542,332
Balances at October 31, 2007	**1,911,903**	**75,212**	**240,224**	**577,221**	**57,266**	**22,075**	**(88,746)**	**3,155,283**	**5,950,438**
Unrealised losses on available-for-sale investments transferred to statement of revenues and expenses	-	-	-	(8,197)	-	-	-	-	(8,197)
Realised gains on available-for-sale investments transferred to statement of revenues and expenses	-	-	-	(31,317)	-	-	-	-	(31,317)
Divdends paid	-	-	-	-	-	-	-	(209,481)	(209,481)
Net profit for the period	-	-	-	-	-	-	-	637,283	637,283
Own shares sold by ESOP	-	-	-	-	-	-	4,111	-	4,111
Movement for the year	-	-	-	(39,514)	-	-	4,111	427,802	392,399
Balances at April 30, 2008	**1,911,903**	**75,212**	**240,224**	**537,707**	**57,266**	**22,075**	**(84,635)**	**3,583,085**	**6,342,837**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited ($000's)	Six months ended April 30 2008	Six months ended April 30 2007
Cash flows provided by / (used in) operating activities		
Net income	637,283	319,191
Adjustments to net income:		
Depreciation	34,546	32,282
Impairment losses on loans	13,366	(10,283)
Other, net	(724,177)	(462,080)
	(38,982)	(120,890)
Changes in operating assets and liabilities		
Pledged assets	(3,518,910)	(3,579,872)
Securities sold under repurchase agreements	3,148,700	2,269,656
Other, net	875,418	(2,023,242)
	466,226	(3,454,348)
Cash flows (used in)/ provided by investing activities		
Investment securities	(733,125)	2,446,076
Property, plant and equipment, net	(10,301)	(13,371)
	(743,426)	2,432,705
Cash flows used in financing activities		
Dividends paid	(209,481)	-
	(209,481)	-
Effect of exchange rate on cash and cash equivalents	(4,727)	16,871
Net change in cash and cash equivalents	(491,408)	(1,004,772)
Cash and cash equivalents at beginning of year	4,060,983	1,963,104
Cash and cash equivalents at end of period	**3,569,575**	**958,332**
Represented by:		
Cash resources	1,222,408	500,358
Less: Statutory reserves at Central Bank	(150,292)	(102,665)
Interest bearing deposits with Central Bank greater than ninety days	(26,276)	(77,043)
Accrued interest on cash resources	(1,264)	(2,007)
Government of Jamaica treasury bills and bonds with original maturity less than ninety days	2,524,999	639,689
Cash and cash equivalents at end of period	**3,569,575**	**958,332**

1. Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

The consolidated financial statements include the financial statements of all subsidiaries, including the Employee Share Ownership Plan (ESOP) classified as a special purpose entity. The results of the ESOP are not material to the Group.

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any impairment loss.

(b) Financial Assets

The company and the group classify their financial assets in the following categories: financial assets held for trading; loans and receivables; and available-for-sale.

- *Financial Assets at Fair Value through Statement of Revenue and Expenses*
  This category includes financial assets acquired primarily for the purpose of short term trading or as otherwise determined 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, goods or services directly to a debtor with no intention of trading the receivable.

- *Available-for-Sale*
  Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates or equity prices.

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition, all trading and available-for-sale assets are measured at fair value, except that any available-for-sale instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured, is stated at cost, including transactions costs, less impairment losses. Gains and losses arising from changes in fair value of available-for-sale instruments are included in the investment revaluation reserve, while those arising from changes in the fair value of held for trading instruments are included in the income statement in the period in which they arise. Interest calculated using the effective method is recognized in the statement of revenue and expenses.

(c) Taxation

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

(d) Loan loss provision

A provision is recognized when the group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(e) Segment Reporting

Segment information is presented in respect of the Group's business segments. The primary business segments are based on the company's management and internal reporting structure. The Group operated in three principal geographical areas, Jamaica, Trinidad and the Cayman Islands. However, the vast majority of the Group's total revenues arise in Jamaica, based on the geographical location of its clients. The vast majority of the Group's assets are also located in Jamaica. At this time there are no material segments into which the Group's business may be broken down.

2. Share Capital

The authorised share capital of the company is 1,200,000,000 (October 31, 2007: 1,200,000,000) ordinary shares.

3. Earnings Per Share

Basic earnings per stock unit is calculated on the group net profit after taxation for the period divided by the number of stock units in issue of 423,195,765 (April 30, 2007: 309,258,639).

4. Managed Funds

Scotia DBG Fund Managers Limited, a wholly owned subsidiary, manages funds, on a non-recourse basis, on behalf of investors. The Group has no legal or equitable right or interest in these funds and, accordingly, they have been excluded from the financial statements.

At April 30, 2008, these funds aggregated $6,123,918,000 (October 31, 2007: $5,836,064,000).

The Group also manages Pension and Trust Funds with a total asset value of $31,092,877,000 as at April 30, 2008.