

Date: August 21, 2008

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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 third quarter ending July 31, 2008.

CONSOLIDATED FINANCIAL STATEMENTS

The Bank of Nova Scotia Jamaica Limited
Statement of Consolidated Revenues & Expenses

(Unaudited) (\$ millions)	For the three months ended			For the nine months ended	
	July	April	July	July	July
	2008	2008	2007	2008	2007
GROSS OPERATING INCOME	7,878	7,825	7,063	23,208	21,110
INTEREST INCOME					
Loans and deposits with banks	4,397	4,170	3,652	12,680	10,662
Securities	2,211	2,069	2,312	6,355	7,099
	6,608	6,239	5,964	19,035	17,761
INTEREST EXPENSE					
Deposits and repurchase agreements	1,356	1,360	1,738	4,169	5,387
Net interest income	5,252	4,879	4,226	14,866	12,374
Provision for credit losses	(231)	(99)	(100)	(416)	(401)
Net interest income after provision for credit losses	5,021	4,780	4,126	14,450	11,973
Net fee and commission income	832	914	679	2,633	2,221
Insurance premium income	180	198	152	568	444
Gains less losses from foreign currencies	255	225	239	719	652
Other operating income	3	249	29	253	32
	1,270	1,586	1,099	4,173	3,349
TOTAL OPERATING INCOME	6,291	6,366	5,225	18,623	15,322
OPERATING EXPENSES					
Staff costs	1,481	1,381	1,246	4,413	3,748
Premises and equipment, including depreciation	493	580	375	1,434	1,038
Changes in policyholders' reserves	732	711	647	2,108	1,812
Other operating expenses	685	618	641	2,021	1,725
	3,391	3,290	2,909	9,976	8,323
OPERATING PROFIT	2,900	3,076	2,316	8,647	6,999
Share of profits in associated company	-	-	(38)	-	-
PROFIT BEFORE TAXATION	2,900	3,076	2,278	8,647	6,999
Taxation	(783)	(772)	(668)	(2,286)	(1,996)
NET PROFIT	2,117	2,304	1,610	6,361	5,003
Earnings per share based on 2,927,232,000 shares (cents)	72	79	55	217	171
Return on average equity (annualised)	27.51%	31.14%	23.06%	28.67%	23.96%
Return on assets (annualised)	3.83%	4.25%	3.25%	3.83%	3.37%
Productivity ratio	55.54%	52.42%	56.51%	54.58%	55.49%
Productivity ratio (excluding Life Insurance Business)	45.57%	42.73%	45.66%	44.84%	45.24%

The Bank of Nova Scotia Jamaica Limited
Consolidated Balance Sheet

	Period ended July 31	Year ended October 31	Period ended July 31
<i>Unaudited</i> (\$ millions)	2008	2007	2007
ASSETS			
CASH RESOURCES	67,871	54,415	52,406
INVESTMENTS			
Held To Maturity	32,730	39,225	32,595
Securities available for sale	21,287	19,498	20,564
	<u>54,017</u>	<u>58,723</u>	<u>53,159</u>
PLEGDED ASSETS	3,626	1,341	4,231
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	766	1,484	1,425
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	78,639	73,106	70,186
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	6,716	7,355	7,110
Real estate & equipment at cost, less depreciation	2,738	2,554	2,515
Retirement Benefit Asset	5,189	4,840	4,692
Taxation Recoverable	1,101	1,253	999
Other assets	550	137	1,340
	<u>16,294</u>	<u>16,139</u>	<u>16,656</u>
TOTAL ASSETS	221,213	205,208	198,063
LIABILITIES			
DEPOSITS			
Deposits by public	136,235	127,874	121,944
Other deposits	9,856	7,336	8,427
	<u>146,091</u>	<u>135,210</u>	<u>130,371</u>
OTHER LIABILITIES			
Acceptances, guarantees & Letters of Credit	6,716	7,355	7,110
Liabilities under repurchase agreements	-	237	731
Redeemable Preference Shares	100	100	100
Deferred Taxation	1,693	1,767	1,484
Retirement Benefit Obligation	878	723	664
Other liabilities	4,831	5,041	4,480
	<u>14,218</u>	<u>15,223</u>	<u>14,569</u>
POLICY HOLDERS' FUND	29,585	26,974	26,335
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	2,927
Reserve Fund	3,158	3,158	3,158
Capital Reserves	-	1,659	-
Retained Earnings Reserve	8,402	5,993	5,693
Loan Loss Reserve	1,116	1,017	799
Other Reserves	8	17	17
Investment Cumulative Remeasurement result from			
Available for Sale Financial Assets	(70)	110	95
Unappropriated Profits	15,778	12,920	14,099
	<u>31,319</u>	<u>27,801</u>	<u>26,788</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	221,213	205,208	198,063

Director

Director



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Consolidated Statement of Changes in Shareholders' Equity

Unaudited

(\$ millions)	Share Capital	Reserve Fund	Retained Earnings Reserve	Capital Reserve	Other Reserves	Loan Loss Reserve	Cumulative	Unappropriated	Total
							Remeasurement from AFS Financial Assets		
Balance at 31 October 2006	2,927	3,158	5,243	-	27	807	275	14,953	27,390
Unrealised Gains/(Losses) on available-for-sale investments, net of taxes	-	-	-	-	-	-	(133)	-	(133)
Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses	-	-	-	-	-	-	(33)	-	(33)
Net profit	-	-	-	-	-	-	-	6,851	6,851
Transfer of reserves relating to sale of subsidiary	-	-	-	-	(10)	(8)	1	17	-
Transfer to Loan Loss Reserve	-	-	-	-	-	218	-	(218)	-
Transfer of gain relating to sale of subsidiary	-	-	-	1,659	-	-	-	(1,659)	-
Issue of preference shares	-	-	-	-	-	-	-	(100)	(100)
Transfer to Retained Earnings Reserve	-	-	750	-	-	-	-	(750)	-
Dividends paid	-	-	-	-	-	-	-	(6,174)	(6,174)
Balance at 31 October 2007	2,927	3,158	5,993	1,659	17	1,017	110	12,920	27,801
Unrealised Gains/(Losses) on available-for-sale investments, net of taxes	-	-	-	-	-	-	(174)	-	(174)
Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses	-	-	-	-	-	-	(6)	-	(6)
Net profit	-	-	-	-	-	-	-	6,361	6,361
Transfer of reserves relating to sale of subsidiary	-	-	-	-	-	-	-	-	-
Transfer of gain relating to sale of subsidiary	-	-	-	-	-	-	-	-	-
Issue of preference shares	-	-	-	-	-	-	-	-	-
Transfer of reserves relating to subsidiary	-	-	-	-	(9)	-	-	9	-
Loan loss reserve transfer	-	-	-	-	-	99	-	(99)	-
Transfer to Retained Earnings Reserve	-	-	2,409	(1,659)	-	-	-	(750)	-
Dividends paid	-	-	-	-	-	-	-	(2,663)	(2,663)
Balance at 31 July 2008	2,927	3,158	8,402	-	8	1,116	(70)	15,778	31,319

The Bank of Nova Scotia Jamaica Limited
Condensed Consolidated Statement of Cash Flows

<i>(Unaudited)</i> <i>(\$ millions)</i>	Nine Months Ended July 31, 2008	Nine Months Ended July 31, 2007
Cash flows provided by / (used in) operating activities		
Net Income	6,361	5,003
Adjustments to net income		
Depreciation	243	246
Impairment losses on loans	416	401
Other, net	2	343
	<u>7,022</u>	<u>5,993</u>
Changes in operating assets and liabilities		
Loans	(5,917)	(10,896)
Deposits	8,197	8,441
Policyholders reserve	2,611	2,626
Other, net	(13,619)	5,535
	<u>(1,706)</u>	<u>11,699</u>
Cash flows provided by / (used in) investing activities		
Investments	(778)	9,500
Repurchase Agreements, net	470	(17,597)
Property, plant and equipment, net	(423)	(414)
	<u>(731)</u>	<u>(8,511)</u>
Cash flows used in financing activities		
Dividends paid	(2,663)	(5,323)
	<u>(2,663)</u>	<u>(5,323)</u>
Effect of exchange rate on cash and cash equivalents	95	1,072
Net change in cash and cash equivalents	(5,005)	(1,063)
Cash and cash equivalents at beginning of year	27,227	25,623
Cash and cash equivalents at end of period	<u>22,222</u>	<u>24,560</u>
Represented by :		
Cash resources	67,871	52,406
Statutory reserves at Bank of Jamaica	(11,281)	(9,964)
Less amounts due from Bank of Jamaica greater than ninety days	(21,991)	(10,785)
Less amounts due from other banks greater than ninety days	(8,622)	(3,787)
Less accrued interest on cash resources	(1,086)	(269)
Cheques and other instruments in transit, net	(2,669)	(3,041)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>22,222</u>	<u>24,560</u>



Segment Reporting Information

Consolidated Statement of Income

Unaudited	For the period ended July 31, 2008						
(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Gross External Revenues	5,264	8,935	4,717	4,279	13	-	23,208
Revenues from other segments	(3,209)	1,655	1,564	5	-	(15)	0
Total Revenues	2,055	10,590	6,281	4,284	13	(15)	23,208
Expenses	(57)	(7,612)	(4,435)	(2,469)	(3)	15	(14,561)
Unallocated expenses							
Profit Before Tax	1,998	2,978	1,846	1,815	10	-	8,647
Income tax expense							(2,286)
Net profit							6,361

Consolidated Balance Sheet

As at July 31, 2008

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	84,984	49,181	43,776	37,842	173	(479)	215,477
Unallocated assets							5,736
Total Assets							221,213
Segment liabilities	1,310	79,842	74,632	29,709	57	(279)	185,271
Unallocated liabilities							4,623
Total liabilities							189,894
Other Segment items:							
Capital Expenditure	-	236	192	-	-		428
Impairment losses on loans	-	480	(64)	-	-		416
Depreciation	-	142	97	4	-		243

**Segment Reporting Information****Consolidated Statement of Income**

Unaudited		For the period ended July 31, 2007						
(\$ millions)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Gross External Revenues	4,873	6,891	4,338	1,718	3,314	1	(25)	21,110
Revenues from other segments	(3,112)	2,026	1,110	59	16	12	(111)	-
Total Revenues	1,761	8,917	5,448	1,777	3,330	13	(136)	21,110
Expenses	(88)	(6,480)	(3,993)	(1,529)	(2,130)	(2)	111	(14,111)
Unallocated expenses								
Profit Before Tax	1,673	2,437	1,455	248	1,200	11	(25)	6,999
Income tax expense								(1,996)
Net profit								5,003

Consolidated Balance Sheet

		As at July 31, 2007						
(\$ millions)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	74,740	41,196	43,363	0	33,026	173	(462)	192,036
Unallocated assets								6,027
Total Assets								198,063
Segment liabilities	331	74,765	66,013	0	26,808	52	(256)	167,713
Unallocated liabilities								3,562
Total liabilities								171,275
Other Segment items:								
Capital Expenditure	-	181	236	1	8	-		426
Impairment losses on loans	-	355	47	(1)	-	-		401
Depreciation	-	144	97	1	4	-		246



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Notes to the Consolidated Financial Statements

July 31, 2008

1. Identification

The Bank of Nova Scotia Jamaica Limited 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.

Dehring Bunting & Golding Limited acquired 100% interest in Scotia Jamaica Investment Management Limited from the Bank of Nova Scotia Jamaica Limited effective July 1, 2007.

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 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.

Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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 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.

Investment contracts are those that transfer financial risk with no significant insurance risk.



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2008

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 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 balance sheet.

6. 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 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.

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. Capital Reserve

This represents the gain on sale of shares held in Scotia Jamaica Investment Management Limited and Dehring Bunting & Golding Limited.

10. 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.

11. Segment reporting

The Group is organized into five main business segments:

- Retail Banking – incorporating personal banking services, personal customer current accounts, saving Redeposits, 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 and pension fund management and the administration of trust accounts;
- Insurance Services – incorporating the provision of life insurance and
- Other operations of the Group comprise non trading subsidiaries.

Dehring Bunting & Golding Limited acquired 100% interest in Scotia Jamaica Investment Management Limited from The Bank of Nova Scotia Jamaica Limited. Consequently, the results of Scotia Jamaica Investment Management Limited, which was previously reported in the Investment Management Services segment, now forms a part of the results of Scotia Group Jamaica Limited.

Transactions between the business segments are on normal commercial terms and conditions.