

Date: August 27, 2009

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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, 2009.

CONSOLIDATED FINANCIAL STATEMENTS

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

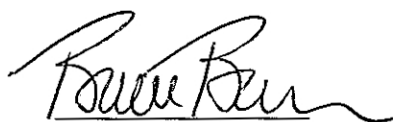
| | For the three months ended | | | For the nine months ended | |
|--|----------------------------|--------------|--------------|---------------------------|---------------|
| (Unaudited) | July | April | July | July | July |
| (\$ millions) | 2009 | 2009 | 2008 | 2009 | 2008 |
| GROSS OPERATING INCOME | 9,775 | 9,190 | 7,878 | 27,702 | 23,207 |
| INTEREST INCOME | | | | | |
| Loans and deposits with banks | 5,264 | 5,188 | 4,397 | 15,630 | 12,680 |
| Securities | 3,236 | 2,677 | 2,211 | 8,101 | 6,355 |
| | 8,500 | 7,865 | 6,608 | 23,731 | 19,035 |
| INTEREST EXPENSE | | | | | |
| Deposits and repurchase agreements | 1,522 | 1,497 | 1,356 | 4,579 | 4,169 |
| | 6,978 | 6,368 | 5,252 | 19,152 | 14,866 |
| Net interest income | 6,978 | 6,368 | 5,252 | 19,152 | 14,866 |
| Impairment losses on loans | (428) | (474) | (231) | (1,264) | (416) |
| Net interest income after provision for credit losses | 6,550 | 5,894 | 5,021 | 17,888 | 14,450 |
| Net fee and commission income | 862 | 926 | 832 | 2,643 | 2,633 |
| Insurance premium income | 186 | 183 | 180 | 563 | 568 |
| Gains less losses from foreign currencies | 225 | 215 | 255 | 762 | 719 |
| Other operating income | 2 | 1 | 3 | 3 | 252 |
| | 1,275 | 1,325 | 1,270 | 3,971 | 4,172 |
| TOTAL OPERATING INCOME | 7,825 | 7,219 | 6,291 | 21,859 | 18,622 |
| OPERATING EXPENSES | | | | | |
| Staff costs | 1,627 | 1,770 | 1,481 | 5,048 | 4,413 |
| Premises and equipment, including depreciation | 820 | 530 | 493 | 1,915 | 1,434 |
| Changes in policyholders' reserves | 1,095 | 947 | 732 | 2,889 | 2,108 |
| Other operating expenses | 567 | 661 | 685 | 1,999 | 2,020 |
| | 4,109 | 3,908 | 3,391 | 11,851 | 9,975 |
| PROFIT BEFORE TAXATION | 3,716 | 3,311 | 2,900 | 10,008 | 8,647 |
| Taxation | (872) | (814) | (783) | (2,491) | (2,286) |
| NET INCOME | 2,844 | 2,497 | 2,117 | 7,517 | 6,361 |
| Earnings per share based on 2,927,232,000 shares (cents) | 97 | 85 | 72 | 257 | 217 |
| Return on average equity (annualised) | 31.99% | 29.91% | 27.51% | 29.61% | 28.67% |
| Return on assets (annualised) | 4.80% | 4.26% | 3.83% | 4.23% | 3.83% |
| Productivity ratio | 54.97% | 56.96% | 55.54% | 56.72% | 54.58% |
| Productivity ratio (excluding Life Insurance Business) | 42.68% | 45.73% | 45.57% | 45.33% | 44.85% |

The Bank of Nova Scotia Jamaica Limited

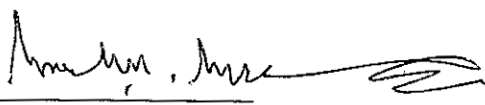
Consolidated Balance Sheet

THE BANK OF NOVA SCOTIA JAMAICA LIMITED

| | Period ended July 31 | Year ended October 31 | Period ended July 31 |
|--|-------------------------|--------------------------|-------------------------|
| Unaudited (\$ millions) | 2009 | 2008 | 2008 |
| ASSETS | | | |
| CASH RESOURCES | 53,003 | 55,420 | 67,871 |
| INVESTMENTS | | | |
| Held To Maturity | 42,470 | 36,154 | 32,730 |
| Securities available for sale | 26,106 | 18,939 | 21,287 |
| | 68,576 | 55,093 | 54,017 |
| PLEDGED ASSETS | 3,951 | 1,301 | 3,626 |
| GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT | 1,013 | 523 | 766 |
| LOANS, AFTER MAKING PROVISIONS FOR LOSSES | 92,220 | 86,152 | 78,639 |
| OTHER ASSETS | | | |
| Customers' Liability under acceptances, guarantees and letters of credit | 8,668 | 6,228 | 6,716 |
| Real estate & equipment at cost, less depreciation | 3,167 | 2,808 | 2,738 |
| Retirement Benefit Asset | 5,745 | 5,402 | 5,189 |
| Taxation Recoverable | 612 | 892 | 1,101 |
| Other assets | 255 | 642 | 550 |
| | 18,447 | 15,972 | 16,294 |
| TOTAL ASSETS | 237,210 | 214,461 | 221,213 |
| LIABILITIES | | | |
| DEPOSITS | | | |
| Deposits by public | 137,665 | 126,918 | 136,235 |
| Deposits due to other financial institutions | 2,877 | 2,386 | 3,620 |
| Other deposits | 9,621 | 9,306 | 6,236 |
| | 150,163 | 138,610 | 146,091 |
| OTHER LIABILITIES | | | |
| Acceptances, guarantees & Letters of Credit | 8,668 | 6,228 | 6,716 |
| Liabilities under repurchase agreements | 801 | - | - |
| Redeemable Preference Shares | 100 | 100 | 100 |
| Deferred Taxation | 1,856 | 1,568 | 1,693 |
| Retirement Benefit Obligation | 1,085 | 931 | 878 |
| Other liabilities | 4,552 | 4,747 | 4,831 |
| | 17,062 | 13,574 | 14,218 |
| POLICY HOLDERS' FUND | 33,061 | 30,561 | 29,585 |
| 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 | 9 | 9 | - |
| Retained Earnings Reserve | 10,602 | 8,702 | 8,402 |
| Loan Loss Reserve | 1,678 | 1,295 | 1,116 |
| Other Reserves | 3 | 3 | 8 |
| Investment Cumulative Remeasurement result from Available for Sale Financial Assets | (435) | (1023) | (70) |
| Unappropriated Profits | 18,982 | 16,645 | 15,778 |
| | 36,924 | 31,716 | 31,319 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 237,210 | 214,461 | 221,213 |



Director



Director

Consolidated Statement of Changes in Shareholders' Equity
Unaudited

| (\$ millions) | Share Capital | Reserve Fund | Retained Earnings Reserve | Capital Reserve | Other Reserves | Loan Loss Reserve | Cumulative Remeasurement from AFS Financial Assets | Unappropriated Profits | Total |
|--|------------------|-----------------|---------------------------------|--------------------|-------------------|----------------------|---|---------------------------|---------------|
| 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 | - | - | - | - | - | - | (1,128) | - | (1,128) |
| Realised (Gains)/Losses on available-for-sale investments transferred to Statement of Revenue & Expenses | - | - | - | - | - | - | (5) | - | (5) |
| Net profit | - | - | - | - | - | - | - | 8,619 | 8,619 |
| Transfer of reserves relating to subsidiary | - | - | - | - | (9) | - | - | 9 | - |
| Transfer of reserves relating to liquidation of subsidiary | - | - | - | 9 | (5) | - | - | (4) | - |
| Transfer to Loan Loss Reserve | - | - | - | - | - | 278 | - | (278) | - |
| Transfer to Retained Earnings Reserve | - | - | 2,709 | (1,659) | - | - | - | (1,050) | - |
| Dividends paid | - | - | - | - | - | - | - | (3,571) | (3,571) |
| Balance at 31 October 2008 | 2,927 | 3,158 | 8,702 | 9 | 3 | 1,295 | (1,023) | 16,645 | 31,716 |
| Unrealised Gains/(Losses) on available-for-sale investments, net of taxes | - | - | - | - | - | - | 588 | - | 588 |
| Net profit | - | - | - | - | - | - | - | 7,517 | 7,517 |
| Loan loss reserve transfer | - | - | - | - | - | 383 | - | (383) | - |
| Transfer to Retained Earnings Reserve | - | - | 1,900 | - | - | - | - | (1,900) | - |
| Dividends paid | - | - | - | - | - | - | - | (2,897) | (2,897) |
| Balance as at 31 July 2009 | 2,927 | 3,158 | 10,602 | 9 | 3 | 1,678 | (435) | 18,982 | 36,924 |

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

| <i>(Unaudited)</i> <i>(\$ millions)</i> | Nine Months Ended July 31, 2009 | Nine Months Ended July 31, 2008 |
|--|--|--|
| Cash flows provided by / (used in) operating activities | | |
| Net Income | 7,517 | 6,361 |
| Adjustments to net income | | |
| Depreciation | 271 | 243 |
| Impairment losses on loans | 1,264 | 416 |
| Other, net | (21,643) | (17,155) |
| | (12,591) | (10,135) |
| Changes in operating assets and liabilities | | |
| Loans | (7,322) | (5,917) |
| Deposits | 10,491 | 8,197 |
| Securities sold under repurchase agreement | 799 | (234) |
| Policyholders reserve | 2,500 | 2,611 |
| Other, net | 25,629 | 3,539 |
| | 19,506 | (1,939) |
| Cash flows provided by / (used in) investing activities | | |
| Investments | (14,995) | (779) |
| Repurchase Agreements, net | (484) | 704 |
| Property, plant and equipment, net | (630) | (423) |
| | (16,109) | (498) |
| Cash flows used in financing activities | | |
| Dividends paid | (2,897) | (2,664) |
| | (2,897) | (2,664) |
| Effect of exchange rate on cash and cash equivalents | 1,651 | 96 |
| Net change in cash and cash equivalents | 2,151 | (5,005) |
| Cash and cash equivalents at beginning of year | 10,824 | 27,227 |
| Cash and cash equivalents at end of period | 12,975 | 22,222 |
| Represented by : | | |
| Cash resources | 53,003 | 67,871 |
| Statutory reserves at Bank of Jamaica | (17,315) | (11,281) |
| Less amounts due from Bank of Jamaica greater than ninety days | (16,524) | (21,991) |
| Less amounts due from other banks greater than ninety days | (2,433) | (8,622) |
| Less accrued interest on cash resources | (1,298) | (1,086) |
| Cheques and other instruments in transit, net | (2,458) | (2,669) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 12,975 | 22,222 |



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

| Unaudited | For the period ended July 31, 2009 | | | | | | |
|------------------------------|------------------------------------|----------------|-------------------|--------------------|-----------|--------------|---------------|
| (\$ millions) | Treasury | Retail Banking | Corporate Banking | Insurance Services | Other | Eliminations | Group Total |
| Gross External Revenues | 6,007 | 9,317 | 5,799 | 6,562 | 17 | - | 27,702 |
| Revenues from other segments | (3,286) | 1,487 | 1,818 | 15 | - | (34) | - |
| Total Revenues | 2,721 | 10,804 | 7,617 | 6,577 | 17 | (34) | 27,702 |
| Expenses | (125) | (8,865) | (5,407) | (3,328) | (3) | 34 | (17,694) |
| Unallocated expenses | | | | | | | |
| Profit Before Tax | 2,596 | 1,939 | 2,210 | 3,249 | 14 | - | 10,008 |
| Income tax expense | | | | | | | (2,491) |
| Net profit | | | | | | | 7,517 |

Consolidated Balance Sheet

| | As at July 31, 2009 | | | | | | |
|-----------------------------|---------------------|----------------|-------------------|--------------------|-------|--------------|----------------|
| (\$ millions) | Treasury | Retail Banking | Corporate Banking | Insurance Services | Other | Eliminations | Group Total |
| Segment assets | 78,188 | 50,931 | 57,552 | 45,720 | 159 | (1,339) | 231,211 |
| Unallocated assets | | | | | | | 5,999 |
| Total Assets | | | | | | | 237,210 |
| Segment liabilities | 1,051 | 86,726 | 74,619 | 34,111 | 58 | (1,151) | 195,414 |
| Unallocated liabilities | | | | | | | 4,872 |
| Total liabilities | | | | | | | 200,286 |
| Other Segment items: | | | | | | | |
| Capital Expenditure | - | 327 | 298 | 3 | - | | 628 |
| Impairment losses on loans | - | 1,187 | 77 | - | - | | 1,264 |
| Depreciation | - | 152 | 115 | 4 | - | | 271 |



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

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 | 12 | - | 23,207 |
| Revenues from other segments | (3,209) | 1,655 | 1,564 | 5 | - | (15) | - |
| Total Revenues | 2,055 | 10,590 | 6,281 | 4,284 | 12 | (15) | 23,207 |
| Expenses | (57) | (7,612) | (4,435) | (2,469) | (2) | 15 | (14,560) |
| 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 |



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Notes to the Consolidated Financial Statements

July 31, 2009

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.

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 profit and loss; 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 Profit and Loss

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 profit and loss 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.



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2009

4. Pledged Assets

Assets are pledged as collateral under Repurchase Agreements, Inter-bank Loans, as well as mandatory Reserve Deposits held with the Bank Of Jamaica (BOJ).

| \$millions | Asset | | Related Liability | |
|--|--------------|--------------|-------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Securities Sold under Repurchase Agreements | 2,400 | - | 801 | - |
| Securities with BOJ and other Financial Institutions | <u>1,551</u> | <u>3,626</u> | <u>250</u> | <u>1,310</u> |
| | <u>3,951</u> | <u>3,626</u> | <u>1,051</u> | <u>1,310</u> |

5. 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.

6. 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.

7. 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.

8. 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.

9. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation.

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.



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
July 31, 2009

11. Segment reporting

The Group is organized into four main business segments:

- Retail Banking – incorporating personal banking services, personal customer current accounts, saving deposits, 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;
- Insurance Services – incorporating the provision of life insurance and retirement products;
- Other operations of the Group comprise non trading subsidiaries.

Transactions between the business segments are on normal commercial terms and conditions. The Group's operations are located mainly in Jamaica.