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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 first quarter ending January 31, 2010.



The Bank of Nova Scotia Jamaica Limited

Consolidated Statement of Income

Period ended January 31, 2010

<i>Unaudited</i> (\$ millions)	For the three months ended		
	January	October	January
	2010	2009	2009
GROSS OPERATING INCOME	9,358	9,634	8,738
Interest Income	8,147	8,401	7,366
Interest Expense	(2,574)	(2,738)	(2,391)
Net interest income	5,573	5,663	4,975
Impairment losses on loans	(421)	(537)	(362)
Net interest income after impairment losses	5,152	5,126	4,613
Net fee and commission income	744	760	856
Insurance premium income	205	203	194
Net foreign exchange trading income	246	217	322
Other revenue	16	53	-
	1,211	1,233	1,372
Total Operating Income	6,363	6,359	5,985
Operating Expenses			
Salaries and staff benefits	1,898	1,842	1,697
Property expenses, including depreciation	407	632	307
Other operating expenses	1,029	922	1,045
	3,334	3,396	3,049
Profit before taxation	3,029	2,963	2,936
Taxation	(758)	(828)	(791)
Profit for the period	2,271	2,135	2,145
Attributable to stockholders of the parent company	2,271	2,135	2,145
Earnings per share based on 2,927,232,000 shares (cents)	78	73	73
Return on average equity (annualized)	23.50%	22.74%	26.68%
Return on assets (annualized)	3.64%	3.52%	3.79%
Productivity ratio	55.36%	57.04%	53.74%



The Bank of Nova Scotia Jamaica Limited

Consolidated Statement of Comprehensive Income

Period ended January 31, 2010

Unaudited (\$ millions)	January 2010	January 2009
Profit for the period	2,271	2,145
Other Comprehensive Income		
Unrealised losses on available for sale financial assets	(409)	(469)
Actuarial gains on defined benefit pension plan	145	105
Other actuarial losses	(102)	(59)
	(366)	(423)
Taxation	108	110
Other comprehensive income, net of tax	(258)	(313)
Total comprehensive income for the period	2,013	1,832
Attributable to stockholders of parent company	2,013	1,832

The Bank of Nova Scotia Jamaica Limited
Consolidated Balance Sheet
January 31, 2010

<i>Unaudited</i> (\$ millions)	Period ended January 31	Year Ended October 31	Period ended January 31
	2010	2009	2009
ASSETS			
CASH RESOURCES	59,972	58,412	63,361
INVESTMENTS			
Held To Maturity	54,015	46,577	34,250
Securities available for sale	25,185	25,843	22,843
	<u>79,200</u>	<u>72,420</u>	<u>57,093</u>
PLEGGED ASSETS	1,043	2,702	4,701
GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	142	692	422
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	90,318	89,341	85,186
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	8,376	8,641	5,976
Real estate & equipment at cost, less depreciation	3,408	3,357	2,897
Retirement Benefit Asset	5,983	5,827	5,516
Taxation Recoverable	763	703	774
Other assets	306	353	582
	<u>18,836</u>	<u>18,881</u>	<u>15,745</u>
TOTAL ASSETS	249,511	242,448	226,508
LIABILITIES			
DEPOSITS			
Deposits by public	145,141	139,233	134,899
Deposits due to other financial institutions	2,406	2,843	2,190
Other deposits	11,234	10,649	9,905
	<u>158,781</u>	<u>152,725</u>	<u>146,994</u>
OTHER LIABILITIES			
Acceptances, Guarantees & Letters of Credit	8,376	8,641	5,976
Liabilities under repurchase agreements	358	267	2,218
Redeemable Preference Shares	100	100	100
Deferred Taxation	2,101	2,210	1,452
Retirement Benefit Obligation	1,220	1,132	982
Other liabilities	3,956	4,795	4,832
	<u>16,111</u>	<u>17,145</u>	<u>15,560</u>
POLICY HOLDERS' FUND	35,481	34,408	31,372
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	9
Retained Earnings Reserve	11,202	10,902	10,002
Loan Loss Reserve	1,982	1,710	1,579
Other Reserves	3	3	3
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	(645)	(357)	(1,370)
Unappropriated Profits	20,502	19,818	16,274
	<u>39,138</u>	<u>38,170</u>	<u>32,582</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	249,511	242,448	226,508

Director

Director



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Consolidated Statement of Changes in Shareholders' Equity
January 31, 2010

<i>Unaudited</i> (\$ 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 2008	2,927	3,158	8,702	9	3	1,295	(1,023)	16,645	31,716
Net profit	-	-	-	-	-	-	-	2,145	2,145
Other Comprehensive income									
Fair value gains on available-for-sale investments, net of tax	-	-	-	-	-	-	(347)	-	(347)
Actuarial gains/ (losses), net of tax	-	-	-	-	-	-	-	34	34
Total Comprehensive Income	-	-	-	-	-	-	(347)	2,179	1,832
Transfer to Retained Earnings Reserve	-	-	1,300	-	-	-	-	(1,300)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	284	-	(284)	-
Dividends paid	-	-	-	-	-	-	-	(966)	(966)
Balance as at 31 January 2009	2,927	3,158	10,002	9	3	1,579	(1,370)	16,274	32,582
Balance at 31 October 2009	2,927	3,158	10,902	9	3	1,710	(357)	19,818	38,170
Net profit	-	-	-	-	-	-	-	2,271	2,271
Other Comprehensive income									
Fair value losses on available-for-sale investments, net of tax	-	-	-	-	-	-	(288)	-	(288)
Actuarial gains/ (losses), net of tax	-	-	-	-	-	-	-	30	30
Total Comprehensive Income	-	-	-	-	-	-	(288)	2,301	2,013
Transfer to Retained Earnings Reserve	-	-	300	-	-	-	-	(300)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	272	-	(272)	-
Dividends paid	-	-	-	-	-	-	-	(1,045)	(1,045)
Balance at 31 January 2010	2,927	3,158	11,202	9	3	1,982	(645)	20,502	39,138



The Bank of Nova Scotia Jamaica Limited
Condensed Consolidated Statement of Cash Flows
January 31, 2010

Unaudited (\$ millions)	2010	2009
Cash flows provided by / (used in) operating activities		
Net Income	2,271	2,145
Adjustments to net income		
Depreciation	106	85
Impairment losses on loans	421	362
Other, net	(4,816)	(5,015)
	<u>(2,018)</u>	<u>(2,423)</u>
Changes in operating assets and liabilities		
Loans	(1,379)	646
Deposits	5,707	7,751
Securities sold under repurchase agreement	91	2,202
Policyholders reserve	1,073	810
Other, net	8,063	3,575
	<u>11,537</u>	<u>12,561</u>
Cash flows provided by / (used in) investing activities		
Investments	(3,944)	(5,922)
Repurchase Agreements, net	545	104
Property, plant and equipment, net	(157)	(174)
	<u>(3,556)</u>	<u>(5,992)</u>
Cash flows used in financing activities		
Dividends paid	(1,045)	(966)
	<u>(1,045)</u>	<u>(966)</u>
Effect of exchange rate on cash and cash equivalents	48	1,183
Net change in cash and cash equivalents	6,984	6,786
Cash and cash equivalents at beginning of year	13,859	10,824
Cash and cash equivalents at end of period	20,843	17,610
Represented by :		
Cash resources	59,972	63,361
Less statutory reserves at Bank of Jamaica	(17,702)	(15,960)
Less amounts due from Bank of Jamaica greater than ninety days	(16,520)	(19,068)
Less amounts due from other banks greater than ninety days	(2,928)	(6,409)
Less accrued interest on cash resources	(2,297)	(2,051)
Treasury bills, bonds and repurchase agreements less than ninety days	2,500	423
Cheques and other instruments in transit, net	(2,182)	(2,686)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,843	17,610



Segment Reporting Information

Consolidated Statement of Income

January 31, 2010

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	1,989	2,147	1,274	1,368	6	-	6,784
Revenues from other segments	(1,178)	607	570	1	-	-	-
Total Revenues	811	2,754	1,844	1,369	6	-	6,784
Expenses	(17)	(2,211)	(1,373)	(154)	-	-	(3,755)
Unallocated expenses							
Profit Before Tax	794	543	471	1,215	6	-	3,029
Taxation							(758)
Profit for the period							2,271

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	87,816	51,252	55,811	49,200	168	(1,023)	243,224
Unallocated assets							6,287
Total Assets							249,511
Segment liabilities	358	88,860	81,341	35,847	59	(835)	205,630
Unallocated liabilities							4,743
Total liabilities							210,373
Other Segment items:							
Capital Expenditure	-	87	70	-	-		157
Impairment losses on loans	-	399	22	-	-		421
Depreciation	-	59	46	1	-		106



Segment Reporting Information

Consolidated Statement of Income

January 31, 2009

Unaudited

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	1,885	2,191	1,254	1,012	5	-	6,347
Revenues from other segments	(915)	442	465	10	0	(2)	-
Total Revenues	970	2,633	1,719	1,022	5	(2)	6,347
Expenses	(15)	(1,857)	(1,363)	(178)	0	2	(3,411)
Unallocated expenses							
Profit Before Tax	955	776	356	844	5	-	2,936
Taxation							(791)
Profit for the period							2,145

Consolidated Balance Sheet

(\$ millions)	Treasury	Retail Banking	Corporate Banking	Insurance Services	Other	Eliminations	Group Total
Segment assets	81,904	50,868	47,695	40,929	150	(1,098)	220,448
Unallocated assets							6,060
Total Assets							226,508
Segment liabilities	2,808	83,358	72,704	31,567	57	(911)	189,583
Unallocated liabilities							4,345
Total liabilities							193,928
Other Segment items:							
Capital Expenditure	-	90	81	3	-	-	174
Impairment losses on loans	-	363	(1)	-	-	-	362
Depreciation and amortisation	-	44	40	1	-	-	85



THE BANK OF NOVA SCOTIA JAMAICA LIMITED

Notes to the Consolidated Financial Statements

January 31, 2010

1. Identification

The Bank of Nova Scotia Jamaica Limited (Bank) 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 Bank 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. Significant new standards and amendments to published standards that became effective during the period:

IAS 1 (Revised) Presentation of Financial Statements, effective for annual periods beginning on or after January 1, 2009. It requires the presentation of all non-owners changes in equity in one or two statements: either in a single statement of comprehensive income or in a statement of income and statement of comprehensive income. The Group has adopted the two statement presentation.

IFRS 8 Operating Segments, effective for annual periods beginning on or after January 1, 2009. It replaces IAS 14, and sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. This standard did not materially impact the Group's financial statements. The major segments are described in note 12.

4. 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.



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
January 31, 2010

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 income 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 the statement of comprehensive income. Interest calculated using the effective interest method is recognized in the statement of income.

5. Pledged Assets

Assets are pledged as collateral under repurchase agreements with counterparties, as well as mandatory reserve deposits held with The Bank of Jamaica (BOJ).

\$millions	Asset		Related Liability	
	2010	2009	2010	2009
Securities Sold under Repurchase Agreements	500	2,400	358	2,218
Securities with BOJ and other Financial Institutions	<u>543</u>	<u>2,301</u>	-	-
	<u>1,043</u>	<u>4,701</u>	<u>358</u>	<u>2,218</u>

6. 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.

7. Loan loss provision

IFRS loan loss 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.

8. 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.

9. 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.

10. Property, plant and equipment

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



THE BANK OF NOVA SCOTIA JAMAICA LIMITED
Notes to the Consolidated Financial Statements
January 31, 2010

11. 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.

12. Segment reporting

The Group is organized into five 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 and medical insurance, individual pension administration and investment management;
- 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.