MEDIA RELEASE

MARCH 1, 2011

SCOTIA DBG INVESTMENTS REPORTS SOLID FIRST QUARTER RESULTS.

FIRST QUARTER 2011 HIGHLIGHTS

- **Net income of $467 million**
- **Earnings per share of $1.10**
- **Return on average equity of 20.73%**
- **Productivity ratio of 31.92%**
- **First quarter dividend of 33.0 cents per share**

Scotia DBG Investments Limited (SDBG) today reported its unaudited financial results for the three months ended January 31, 2011. Net income for the period amounted to $467 million representing a 16% increase over the $401 million earned in the previous quarter ended October 31, 2010.

Earnings per share (EPS) for the quarter was $1.10 compared to $1.29 for last year. The company's annualized return on average equity (ROE) was 20.73% at the end of the quarter, up from 18.52% at the end of the last quarter.

Anya Schnoor, CEO of SDBG said, "We have made a creditable start to the new financial year. Our results, particularly the growth in our fee-based revenue continues to signal the success of our key strategic imperative to diversify our revenue base away from net interest income. During the quarter we successfully grew all our unit trust and Mutual Fund products, both in Jamaica and in the Trinidad market. We also maintained tight expense control over the period through the fulfilment of ongoing cost saving initiatives and will remain focused in this regard in the months ahead. We have also made steady progress in realigning our business model to build out and eventually expand our capital markets business segment and are pleased that in partnership with Scotia Capital Internationally we were appointed Co-Managers of the GOJ's successful Global Bond fund raising efforts. In the months ahead we will be focusing on developing new and innovative products as we expand our portfolio of options for customers".

REVENUES

Total revenues comprising of net interest revenue and other income was $962 million for the quarter, an increase of $88 million over the last quarter and down $170 million when compared to the same period last year.

Scotia DBG Investments

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Net Interest Income

Net interest income for the quarter amounted to $730 million, a decrease of 27% over the $995 million reported for the first quarter last year. The results were, however an improvement over the $687 million earned for the previous quarter. The decline in interest margins year over year was impacted primarily by lower prevailing yields on the securities portfolio.

Other Revenue

Other revenue, which includes fee income and net foreign exchange trading income was $227 million for the quarter, up $85 million or 60% from the $142 million reported for the same period last year. The results were also up $40 million or 21% above the $186 million recorded for the previous quarter. The company continues to record strong Caribbean Income Fund and Unit Trust sales and the quarterly results were boosted by higher fee income on these managed funds as well as improved securities trading income.

NON-INTEREST EXPENSES AND PRODUCTIVITY

Our productivity ratio (operating expense / total revenue) - a key measure of cost efficiency – was 31.92% for the quarter compared to 30.08% for the same period last year.

Operating expenses amounted to $307 million for the quarter, a decrease of $33 million or 10% over last year. This was due primarily to lower staff costs as well as a general decrease in other operating costs over the period.

BALANCE SHEET

Total assets reduced year over year by $2 billion to $70.85 billion. This decrease in the asset base was largely influenced by the disposal of SDBG Merchant Bank during 2010. There has also been a reduction in total assets due to the migration of funds into our Unit Trust and Mutual Fund products as a part of our strategy to transition to our new business model.

CAPITAL

The strength of our capital base is evident with total shareholders equity standing at $9.16 billion at the end of the quarter. This represented an increase of $1.08 billion or 13% over the equity reported as at the end of the comparative period last year and was also up $332 million or 4% over the previous quarter. Our investment reserve shows a marked improvement over last year due to sustained recovery of bond prices as interest rates continue to fall. At the end of the quarter, our capital adequacy ratio remained strong at 78.21%, significantly above the 10% statutory requirement.

DIVIDEND

At the Board of Directors meeting on February 25, 2011 the Board approved an interim dividend of 33.0 cents per stock unit, payable on April 11, 2011, to stockholders on record as at March 21, 2011.

For further information contact: Anya Schnoor, Chief Executive Officer • Tel: 876-960-6699 • Fax: 876-960-6705

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Period ended January 31	Year ended October 31	Period ended January 31
Unaudited ($000's)	2011	2010	2010
ASSETS			
CASH RESOURCES	826,896	3,899,049	2,066,636
INVESTMENTS			
Financial assets at fair value through profit and loss	136,924	127,895	46,817
Securities available-for-sale	2,104,027	112,292	812,501
	2,240,951	240,187	859,318
PLEDGED ASSETS	65,783,467	64,869,175	65,934,321
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	409,094	411,796	2,327,232
LEASES AND HIRE PURCHASE CONTRACTS	-	-	106,237
OTHER ASSETS			
Customers' liability under guarantees	1,043,118	940,667	744,343
Taxation recoverable	291,516	393,747	516,885
Other assets	107,315	50,067	118,075
Property, plant and equipment at cost, less depreciation	49,653	52,371	69,524
Intangible assets	28,815	29,637	75,678
Deferred taxation	12,101	12,101	42,148
	1,532,518	1,478,610	1,566,653
Assets classified as held for sale	58,732	56,076	-
TOTAL ASSETS	**70,851,658**	**70,974,893**	**72,860,397**
LIABILITIES			
DEPOSITS			
Deposits by the public	-	-	2,539,278
CAPITAL MANAGEMENT ACCOUNTS & GOVERNMENT SECURITIES FUND	14,485,256	15,156,808	16,251,266
OTHER LIABILITIES			
Promissory notes	2,356	7,980	41,528
Guarantees issued	1,043,118	940,667	744,343
Liabilities under repurchase agreements	45,090,047	45,025,585	44,308,747
Other liabilities	228,244	272,492	267,085
Taxation payable	604,568	513,550	580,647
Deferred taxation	185,347	178,805	224
Assets held in trust on behalf of participants	39,674	37,371	37,892
	47,193,354	46,976,450	45,980,466
Liabilities classified as held for sale	5,234	6,109	-
STOCKHOLDERS' EQUITY			
Share capital	1,911,903	1,911,903	1,911,903
Reserve fund	-	-	120,855
Retained earnings reserve	-	-	499,867
Cumulative remeasurement result from available-for-sale financial assets	68,069	60,415	(162,491)
Loan loss reserve	-	-	21,967
Capital reserve	22,075	22,075	22,075
Reserve for own shares	(46,733)	(44,451)	(44,852)
Unappropriated profits	7,212,500	6,885,575	5,721,063
	9,167,814	8,835,517	8,089,387
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**70,851,658**	**70,974,893**	**72,860,397**

Director

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Scotia DBG Investments

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NON-FINANCIAL HIGHLIGHTS

SDBG partnered with Scotiabank Trinidad & Tobago to launch the Caribbean Income Fund in Port of Spain on November 18, 2010. The event was well attended and guest speakers included Brian Frazer, General Manager of Scotia DBG Fund Managers Limited. The launch activities also included a full 30 minute television interview on the top morning business show which featured Mr. Lissant Mitchell, Chief Operating Officer (COO). In addition to a launch 'cocktail' event, there was also a media blitz which featured in all the major newspapers in Trinidad and Tobago.

On January 25 - 27, we participated in the Jamaica Stock Exchange's regional conference. Lissant Mitchell – COO took part in a panel discussion on the development of Capital Markets in the Region.

We continued to advertise our off balance sheet campaign in the press and online throughout the quarter. The campaign featured ads with our Investment Advisors to promote our newest communication channel the Blackberry Messenger.

CORPORATE SOCIAL RESPONSIBILITY

SDBG continues to demonstrate commitment to corporate social responsibility through the support of programs aimed at building a bright future for our children. During the quarter, we presented a cheque to the Caribbean Christian Center for the Deaf as part of our on-going outreach activities to provide educational support to children in need.

Also during the quarter, as part of the Group's wider Wealth Management & Insurance Division, we also participated in the Jamaica Amateur Athletics Association (JAAA) Golden Cleats Awards luncheon to recognize the male and female athlete of the year. The funds that were presented to the JAAA will be used towards the purchase of equipment for the athletes' training and competition needs.

SDBG echoes the sentiments of the Scotiabank Group, in thanking all of our stakeholders for their continued support over this past quarter. To our clients, thank you for your continued 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 continue to deliver superior customer service.

CONSOLIDATED STATEMENT OF INCOME

Unaudited ($000's)	For the three months ended January 2011	October 2010	January 2010
GROSS OPERATING INCOME	1,692,668	1,637,703	2,650,927
Interest income	1,466,075	1,451,516	2,509,100
Interest expense	(735,723)	(770,336)	(1,513,655)
Net Interest Income	730,352	681,180	995,445
Impairment losses on loans	5,123	6,145	(5,573)
Net interest income after impairment losses	735,475	687,325	989,873
Net fee and commission income	140,740	112,331	81,138
Net foreign exchange trading income	25,575	29,116	36,878
Net gains/(losses) on financial assets classified as held for trading	9,790	504	6,733
Net gains on financial assets available for sale	6,138	-	-
Gains less losses on securities trading	40,521	39,632	8,651
Other revenue	3,829	4,604	8,427
	226,593	186,187	141,827
TOTAL OPERATING INCOME	**962,068**	**873,512**	**1,131,700**
OPERATING EXPENSES			
Salaries and staff benefits	189,720	174,046	215,142
Property expenses, including depreciation	36,497	26,223	32,468
Amortisation of intangible assets	822	6,406	2,540
Other operating expenses	80,024	72,126	90,284
	307,063	278,801	340,434
PROFIT BEFORE TAXATION	**655,005**	**594,711**	**791,266**
Taxation	(188,426)	(193,300)	(245,702)
PROFIT FOR THE PERIOD	**466,579**	**401,411**	**545,564**
PROFIT AFTER TAXATION ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	**466,579**	**401,411**	**545,564**
Earnings per stock unit - Basic (cents)	**110**	**95**	**129**
Return on average equity (annualized)	**20.73%**	**18.52%**	**27.66%**
Productivity ratio	**31.92%**	**31.92%**	**30.08%**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Period ended January 31	Year ended October 31	Period ended January 31
Unaudited ($000's)	**2011**	**2010**	**2010**
ASSETS			
CASH RESOURCES	826,896	3,899,049	2,066,636
INVESTMENTS			
Financial assets at fair value through profit and loss	136,924	127,895	46,817
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OTHER ASSETS			
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Taxation recoverable	291,516	393,747	516,885
Other assets	107,315	50,067	118,075
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Intangible assets	28,815	29,637	75,678
Deferred taxation	12,101	12,101	42,148
	1,532,518	1,478,610	1,566,653
Assets classified as held for sale	58,732	56,076	-
TOTAL ASSETS	**70,851,658**	**70,974,893**	**72,860,397**
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DEPOSITS			
Deposits by the public	-	-	2,539,278
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OTHER LIABILITIES			
Promissory notes	2,356	7,980	41,528
Guarantees issued	1,043,118	940,667	744,343
Liabilities under repurchase agreements	45,090,047	45,025,585	44,308,747
Other liabilities	228,244	272,492	267,085
Taxation payable	604,568	513,550	580,647
Deferred taxation	185,347	178,805	224
Assets held in trust on behalf of participants	39,674	37,371	37,892
	47,193,354	46,976,459	45,960,466
Liabilities classified as held for sale	5,234	6,109	-
STOCKHOLDERS' EQUITY			
Share capital	1,911,903	1,911,903	1,911,903
Reserve fund	-	-	120,855
Retained earnings reserve	-	-	498,867
Cumulative remeasurement result from available-for-sale financial assets	68,069	60,415	(162,491)
Loan loss reserve	-	-	21,967
Capital reserve	22,075	22,075	22,075
Reserve for own shares	(46,733)	(44,451)	(44,852)
Unappropriated profits	7,212,500	6,885,575	5,721,063
	9,167,814	8,835,517	8,089,387
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**70,851,658**	**70,974,893**	**72,860,397**

Director

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Scotia DBG Investments

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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
Balance as at 31 October 2009	**1,911,903**	**117,038**	**477,235**	**(151,311)**	**21,967**	**22,075**	**(52,518)**	**5,340,603**	**7,686,992**
Net profit	-	-	-	-	-	-	-	545,564	545,564
Other comprehensive income:									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	(11,180)	-	-	-	-	(11,180)
Realised gains on available-for-sale securities	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	(11,180)	-	-	-	-	(11,180)
Total comprehensive income for the period	-	-	-	**(11,180)**	-	-	-	**545,564**	**534,384**
Other equity transactions:									
Dividends paid	-	-	-	-	-	-	-	(139,655)	(139,655)
Own shares sold by ESOP	-	-	-	-	-	-	7,666	-	7,666
Transfer to retained earnings reserve	-	-	21,632	-	-	-	-	(21,632)	-
Transfer to reserve fund	-	3,817	-	-	-	-	-	(3,817)	-
Balance as at 31 January 2010	**1,911,903**	**120,855**	**498,867**	**(162,491)**	**21,967**	**22,075**	**(44,852)**	**5,721,063**	**8,089,387**
Balance as at 31 October 2010	**1,911,903**	-	-	**60,415**	-	**22,075**	**(44,451)**	**6,885,575**	**8,835,517**
Net Profit	-	-	-	-	-	-	-	466,579	466,579
Other comprehensive income:									
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	13,851	-	-	-	-	13,851
Realised gains on available-for-sale securities	-	-	-	(6,197)	-	-	-	-	(6,197)
Total other comprehensive income	-	-	-	**7,654**	-	-	-	-	**7,654**
Total comprehensive income for the period	-	-	-	**7,654**	-	-	-	**466,579**	**474,233**
Other equity transactions:									
Dividends paid	-	-	-	-	-	-	-	(139,654)	(139,654)
Own shares sold by ESOP	-	-	-	-	-	-	(2,282)	-	(2,282)
Balance as at 31 January 2011	**1,911,903**	-	-	**68,069**	-	**22,075**	**(46,733)**	**7,212,500**	**9,167,814**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited ($000's)	Three months ended January 31 2011	Three months ended January 31 2010
Cash flows provided by operating activities		
Profit for the period	466,579	545,564
Adjustments to net income:		
Depreciation	5,623	7,736
Amortisation of intangible assets	822	2,540
Impairment losses on loans	(5,123)	5,573
Other, net	(541,927)	(749,743)
	(74,026)	(188,330)
Changes in operating assets and liabilities		
Pledged assets	1,296,708	2,398,776
Securities sold under repurchase agreements	187,038	(1,678,884)
Financial assets at fair value through profit and loss	(9,030)	58,552
Other, net	(188,060)	1,310,652
	1,212,630	1,900,766
Cash flows used in investing activities		
Investment securities	(1,929,067)	(18,354)
Shares acquired for ESOP	(2,282)	7,666
Property, plant and equipment, Intangibles, net	(2,905)	-
	(1,934,254)	(10,688)
Cash flows used in financing activities		
Dividends paid	(139,654)	(139,655)
	(139,654)	(139,655)
Effect of exchange rate on cash and cash equivalents	(121,314)	28,709
Net change in cash and cash equivalents	(982,592)	1,779,132
Cash and cash equivalents at beginning of year	7,206,075	2,846,674
Cash and cash equivalents at end of the period	**6,223,483**	**4,625,806**
Represented by:		
Cash resources	826,896	2,066,636
Less: statutory reserves at Bank of Jamaica	-	(221,713)
Less: amounts due from Bank of Jamaica greater than ninety days	-	(272,342)
Less: accrued interest on cash resources	(172)	(22,085)
GOJ treasury bills, repurchase agreements and bonds less than ninety days	5,395,573	3,075,310
Cash and bank balances included in assets classified as held for sale	1,186	-
	6,223,483	**4,625,806**

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1. Identification

Scotia DBG Investments Limited is a 77.01% subsidiary of Scotia Group Jamaica Limited, which is incorporated and domiciled in Jamaica. The Bank of Nova Scotia, which is incorporated and domiciled in Canada, is the ultimate parent.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards, and they also comply with the provisions of the Companies Act. New and revised standards that became effective this year did not have any material impact on the financial statements and the accounting policies are consistent with those applied in the audited financial statements for the year ended October 31, 2010. 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 operation of the Company and its subsidiaries, and the Employee Share Ownership Plan (ESOP) which is classified as a special purpose entity. The results of the ESOP are not material to the Group. 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; available-for-sale and held-to-maturity. Management determines the classification of its investments at initial recognition.

- *Financial Assets at Fair Value through Profit and Loss*
  This category includes financial assets 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, 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.

- *Held-to-Maturity*
  Held-to-maturity 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 and which are not designated as at fair value through profit or loss or as available-for-sale.

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition, all available-for-sale instruments and financial assets at fair value through profit and loss 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 the fair value of available-for-sale instruments are recognized directly in statement of comprehensive income, while gains and losses arising from changes in the fair value of trading securities are included in the statement of income in the period in which they arise. Interest calculated using the effective interest method is recognized in the statement of income.

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4. **Pledged assets**

Assets pledged as collateral under repurchase agreements with clients and other financial institutions are government securities.

i. All repurchase agreements mature within twelve (12) months and are conducted under terms that are usual and customary to standard securities borrowing and repurchase agreements.
ii. The capital management fund and the government securities fund are managed on a non-recourse basis, on behalf of investors.
iii. The Bank of Jamaica holds as security Government of Jamaica Local Registered Stocks valued at $NIL (2010:$133,400,000) as security for possible shortfalls in the operating account.

	Asset		Related Liability	
	2011 000's	2010 000's	2011 000's	2010 000's
Securities sold under repurchase agreements:				
Clients	45,195,048	45,601,339	40,413,102	41,496,552
Other financial institutions	4,882,463	3,472,190	4,676,945	2,670,340
Securities with Bank of Jamaica	-	133,400	-	-
Capital management fund and government securities fund	15,705,956	16,727,392	14,485,256	16,251,266
	65,783,467	65,934,321	59,575,303	60,418,158

5. **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 the last re-price 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. **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.

7. **Property, plant and equipment**

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

8. **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.

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9. **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 January 31, 2011, these funds aggregated $18,332,300,000 (January 31, 2010: $9,136,000,000).

The Group also manages pension and trust funds with a total asset value of $44,721,707,000 as at January 31, 2011 (January 31, 2010: $38,216,873,000).

10. **Assets classified as held for sale**

The assets and liabilities of Asset Management Company Limited, a subsidiary which provides credit financing for the hire purchase of consumer durables, have been presented as held for sale. This is following the approval of the Board of Directors, prior to last financial year-end to sell the company. Efforts to sell the company have commenced and a sale is expected before the end of this financial year.

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