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MEDIA RELEASE

SCOTIA GROUP JAMAICA LIMITED REPORTS STRONG FIRST QUARTER RESULTS

FIRST QUARTER 2008 HIGHLIGHTS (Year to Date)

- Net Income of \$2,193 million
- Net Income available to common shareholders of \$2,135 million
- Earnings per share of \$0.69
- Return on Average Equity 24.40%
- Productivity ratio of 55.17%
- First Quarter dividend of 32 cents per share

Scotia Group Jamaica Limited (Scotia Group) today reported strong first quarter results of \$2,135 million net income available to common shareholders, an increase of \$521 million or 32% when compared to the same period last year. The current year's net income includes the results of Dehring Bunting & Golding Limited (DB&G), which was acquired on May 1, 2007.

William E. Clarke, President and CEO said "We are pleased to begin the new fiscal year with such a strong performance. All major business lines continue to deliver strong sustainable growth and earnings, despite the reduction in interest margins and the challenging economic environment. Our retail portfolio demonstrated very strong volume growth of over \$9 Billion in our Scotia Plan Loans, Mortgages (SJBS) and Credit card portfolios. With this strong start to the 2008 fiscal year, we are well positioned to achieve our key targets for 2008. Scotia Group results are reflective of our core strengths in cost control, risk management and customer satisfaction."

The contribution to net income by our subsidiaries are outlined below:-

	\$'Million	% Contribution
The Bank of Nova Scotia Jamaica Limited	1,340	62.76%
Scotia Jamaica Life Insurance Company Limited	491	23.00%
Dehring Bunting & Golding Limited	195	9.13%
Scotia Jamaica Building Society	109	5.11%
Net Income attributable to common shareholders	2,135	100.00%

Earnings per share (EPS) for the quarter was \$0.69, compared to \$0.55 for last year, while Return on Average Equity (ROE) remains very strong at 24.40%.

The Board of Directors today, approved an interim dividend of 32 cents per stock unit, payable on March 28, 2008 to stockholders on record at March 5, 2008.

REVENUES

Total Revenue comprising net interest revenue and other income was \$6,707 million, an increase of \$1,567 million or 30.49% from prior year.

NET INTEREST INCOME

Net interest income was \$5,172 million, up \$1,076 million when compared to last year. This is as a result of strong portfolio volume growth primarily in our retail portfolio. Interest income earned from securities also increased, due to volume growth in the investment, pledged assets and repurchase agreement portfolios resulting from the acquisition of DB&G in May 2007.

OTHER REVENUE

Other revenue, excluding Insurance Premium Income, was \$1,345 million, up \$442 million when compared with last year. This was driven mainly by the growth in foreign exchange trading profit, securities trading income, credit and electronic banking related fees. Insurance Premium is attributable to ScotiaMINT, the interest sensitive life insurance policy and Creditor Life insurance, marketed by SJLIC. Combined net premium income for both products increased by approximately \$49 million when compared to prior year. SJLIC reported gross premium income of \$1.2 billion for the three month period.

NON-INTEREST EXPENSES AND PRODUCTIVITY

The Group continues to pay close attention to expense control and risk management. Our productivity ratio (non-interest expense as a percentage of total revenue) - a key measure of cost efficiency - was 55.17%. If insurance premium and related actuarial expenses were excluded, to recognize the significant dissimilarities between the revenue/expense pattern of the insurance business and the other financial services offered by the Scotiabank group, the productivity ratio for the period was 46.57%, which is significantly better than the international benchmark of 60%.

Non-interest Expenses excluding Change in Policyholders' Reserve and Loan Loss Provisions, were \$2,952 million, an increase of \$782 million over last year of which \$271 Million relate to the inclusion of DB&G in the consolidated results. The balance of \$511 million was due to increased staff costs, amortization of the intangible assets resulting from the acquisition of DB&G, and computer related expenses. Policyholders Reserves for ScotiaMINT's life insurance fund is directly attributed to the business in force.

CREDIT QUALITY

Non-performing Loans at January 31, 2008 were \$2,155 million, of which \$787 million relates to the consolidation of DB&G. The non-performing loans for the BNSJ Group were \$1,368 million, this was an increase of \$268 million when compared to \$1,100 million a year ago, and \$52 million above the previous quarter ended October 31, 2007. The BNSJ Group's non-performing loans now represent 1.75% of total loans and 0.65% of total assets compared to 1.74% and 0.54% respectively in prior year. DB&G's non-performing loans reduced marginally by \$5 million over the previous quarter, and represents 1.33% of total assets.

The IFRS Loan Loss Provisioning requirements are computed using a different methodology from the Regulatory requirement. The difference in the amount computed under the two methodologies is reported as Loan Loss Reserve in the equity component of the Balance Sheet. The Group's loan loss provision as determined by IFRS is \$832 million, of which \$634 million is specific and \$198 million is general.

The loan loss provision as determined by Regulatory Requirement is \$1,906 million, of which \$384 million relates to provisions established by DB&G. BNSJ Group's loan loss provision is \$1,522 million which exceeds total non-performing loans by \$154 million, and provides coverage of 111% of BNSJ Group's non performing loans. Over the years, we continue to experience significant growth in the loan portfolio, however the loan loss provision has remained relatively stable, due to Scotiabank's strong credit policy and loan administration procedures, which has ensured the high quality of the loan portfolio.

BALANCE SHEET

Total assets increased year over year by \$67 Billion or 33% to \$272 Billion as at January 31, 2008. The consolidation of DB&G contributed \$37 Billion to the growth in assets. The Group's performing loans were \$81 billion, up \$19 Billion over the previous year, as we continue to experience significant growth in retail lending, and have seen an improvement in the demand for commercial loans. Investments, pledged assets and repurchase agreements increased by \$42 Billion of which \$31 Billion relates to the consolidation of DB&G. Retirement Benefit Asset represents the net of the present value of pension obligation and the fair value of the pension plan assets as determined by independent actuaries.

Deposits grew to \$141.4 billion, up \$18 billion 14.51% from the previous year, reflecting continued confidence in Scotiabank.

CAPITAL

Scotia Group's capital base continues to be very strong. Total shareholders equity grew to \$36 billion, \$7.5 Billion more than prior year, this was due mainly to an increase of \$3.6 Billion in the share capital of Scotia Group Jamaica Limited in May 2007 and \$3 billion in the retained earnings. We continue to build a strong capital position to enable us to take advantage of future growth opportunities.

OUR COMMITMENT TO THE COMMUNITY

Scotiabank demonstrated its continuing commitment to Jamaica with tangible contributions through the Scotiabank Jamaica Foundation and other public relations activities. On January 2, 2008, we marked the 100th Anniversary of the Port Maria branch and held a week of activities which celebrated and recognized the loyalty and dedication of our customers since 1908.

During the quarter, the Bank launched a major strategy to command market share in the small and medium enterprise sector with the establishment of the Scotiabank Chair in Entrepreneurship and Development at the Technology Innovation Center, University of Technology. The Scotiabank Jamaica Foundation is funding the Chair at a cost of \$32.5 million to be disbursed over the next five years. The main beneficiaries will be micro, small and medium-sized enterprises (MSMEs) and Business Associations who will benefit from the Enterprise-Wide Risk Management and Financing Programme, research and training.

The Bank also committed \$12 million in sponsorship of the Jamaica Netball Association. The sponsorship will provide \$4 million annually to the association and positions Scotiabank as the main sponsor of the Scotiabank Netball Training Camp and of the JNA. This further demonstrates our commitment to the growth and development of our youth. We also launched the second year of our HIV and AIDS Education Programme to build awareness in primary schools – the Speak Up! Speak Out! Education Programme - and formed a partnership with the Jamaica Cultural Development Commission to include items on HIV and AIDS and healthy lifestyles in the annual festival of the arts competition. In December 2007, the Bank handed over new musical instruments to the Jamaica Constabulary Force Band valued at \$3.3 million to replace those which have been in use since the band started in 1954. The Bank also hosted the annual launch of the Salvation Army Christmas Kettle Appeal and donated \$450,000 to the Appeal.

Through the Scotiabank Jamaica Foundation we contributed \$9.3 million to the Education sector. In the Health sector, we contributed a total of \$979,000 towards maintenance of the Scotiabank Centennial Accident & Emergency Unit at the University Hospital of the West Indies and the maintenance of the Jamaica Cancer Society's Mobile Mammography Unit. We also continued with the provision of meals for the 45 residents at the Golden Age Home in Kingston at a cost of \$252,000.

Awards

Scotiabank and Dehring Bunting & Golding Limited dominated the annual Jamaica Stock Exchange Best Practices Awards taking four of the six awards in December 2007. Scotiabank won first place for Best Practices Annual Report as well as the Governor General's Award for Overall Excellence. Dehring Bunting & Golding won second place for Best Practices Annual Report and third place for the Best Practices Website for Listed Companies.

Scotia Group takes this opportunity to thank all of our stakeholders. To our customers, thank you for your loyalty and your business. To our shareholders, thank you for the commitment, trust and confidence you continue to show in us. Our continued success is as a result of great execution by our team of skilled and dedicated employees and their consistent focus on customer satisfaction. We thank them for their professionalism, commitment and for being a great team.