

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.

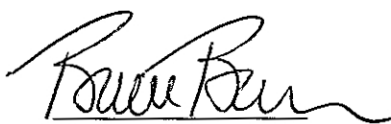
CONSOLIDATED FINANCIAL STATEMENTS

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

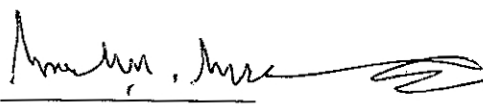
(Unaudited)	For the three months ended			For the nine months ended	
	July	April	July	July	July
	2009	2009	2008	2009	2008
(\$ millions)					
GROSS OPERATING INCOME	9,775	9,190	7,878	27,702	23,207
INTEREST INCOME					
Loans and deposits with banks	5,264	5,188	4,397	15,630	12,680
Securities	3,236	2,677	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
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
<i>Unaudited</i> (\$ 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
	<u>68,576</u>	<u>55,093</u>	<u>54,017</u>
PLEGGED 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
	<u>18,447</u>	<u>15,972</u>	<u>16,294</u>
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
	<u>150,163</u>	<u>138,610</u>	<u>146,091</u>
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
	<u>17,062</u>	<u>13,574</u>	<u>14,218</u>
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
	<u>36,924</u>	<u>31,716</u>	<u>31,319</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	237,210	214,461	221,213



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 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



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

Unaudited	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

**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

Unaudited	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.