Bank of Nova Scotia Jamaica Limited

For the three months ended January 31, 2004

SCOTIABANK'S STRONG EARNINGS MOMENTUM CONTINUES INTO THE FIRST QUARTER OF 2004

Fiscal 2004 Highlights (Year over Year)

- **Net Income of $1,685 million, up $686 million or 69%**
- **Earnings per share of $1.15, up 69%**
- **ROE 37.45%, compared to 27.84%**
- **Productivity ratio of 48.38%, compared to 53.18%**
- **First interim dividend of 40 cents per share**

Scotiabank continued it's strong performance into 2004 and today announced results for the first quarter, reporting net profit of $1,685 million, an increase of $686 million over net profit for the first quarter of 2003, and $116 million below net profit for the quarter ended October 31, 2003.

Earnings Per Share (EPS) for the quarter were $1.15, compared to 68 cents for last year, and $1.23 at the end of the previous quarter. Return on Average Equity (ROE) annualized for the quarter was 37.45%.

The Board of Directors at its meeting held today, approved an interim dividend of 40 cents per stock unit, payable on April 1, 2004 to stockholders on record at March 11, 2004.

Mr. W. E. Clarke, Managing Director, said, Scotiabank's consistently strong performance is a demonstration of the long term success of our core strategies as all our business lines delivered superior results. Our continued success is a result of great execution by our team of skilled and dedicated Scotiabankers along with our consistent focus on customer satisfaction, risk management and cost control.

REVENUES

Total revenue (comprising net interest income and other revenue) grew by 54% over last year to $4,500 million.

NET INTEREST INCOME

Net interest income was $3,810 million, up $1,423 million or 60% from last year. The increase was primarily due to growth in average total earning assets and improved yields during the quarter.

OTHER REVENUE

Other revenue, excluding Insurance Premium Income, was $610 million, up $118 million when compared with last year. Insurance Premium is attributable to ScotiaMINT, the interest sensitive life insurance policy, marketed by Scotia Jamaica Life Insurance Company Limited. Net premium income increased by $33 million (an increase of 70%) when compared with the same period last year. ScotiaMINT continues to enjoy the largest share of the local interest sensitive insurance market with gross premium income totaling $1.1 billion for the quarter.

NON-INTEREST EXPENSES

Scotiabank's productivity ratio continues to lead the banking industry and is a significant factor in our Bank's strong performance. The productivity ratio (non-interest expense as a percentage of total revenue) - a key measure of cost effectiveness - was 48.38%. 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 36.17%, which is significantly better than the international benchmark of 60%.

Non-interest Expenses excluding Change in Policyholders, Reserve and Loan Loss Provisions, were $1,574 million, an increase of $309 million over last year, which is primarily due to increases in staff related costs. Actuarial Reserves for ScotIaMINT's life insurance fund is directly attributed to the business in force.

CREDIT QUALITY

Non-performing Loans increased from $932 million a year ago to $988 million, an increase of $56 million due to continued weak economic conditions, adversely affecting some of our borrowing customers. This was also $24 million above the $964 million outstanding as at October 31, 2003. The Group's non-performing loans now represent 1.95% of its total loans and 0.65% 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 loan loss provision as determined by IFRS is $645 million, of which $347 million is specific and $298 million is general. The loan loss provision as determined by Regulatory Requirement is $1,452 million of which $711 million is specific and $741 million is general. The total regulatory provision of $1,452 million exceeds total non-performing loans by $464 million, hence these loans are more than fully provided for.

BALANCE SHEET

Total assets as at January3l,2004, were $153 billion, an increase of $22 billion (17%)from the previous year and $5 billion above October 31, 2003. Loans increased by $7.4 billion (17.3%) year over year and Performing Loans as at January 31, 2004 were $49.6 billion, up $7.6 billion over the previous year and $1.9 billion from the previous quarter. Cash Resources increased by $563 million due mainly to continued growth in deposits, while Investments and Repurchase Agreements increased by $11.8 billion, which was the highest growth among all asset categories. 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 $93.2 billion, up 13.45% from the previous year, reflecting continued confidence in Scotiabank.

CAPITAL

Scotiabank continued to strengthen its capital through solid growth in earnings. Total stockholders, equity grew to $18.3 billion, $675 million or 3.8% higher than the previous quarter and $3.7 billion or 25% higher than last year.

SCOTIABANK'S COMMITMENT TO THE COMMUNITY

During the period November to January 2004, Scotiabank Jamaica Foundation continued to make significant contributions primarily in the areas of Health and Education.

The Foundation announced its commitment to donate J$5 million to the Northern Caribbean University Endowment Fund, and created a long term partnership with Montego Bay Community College through annual scholarship awards of J$750,000 to six students. The Hugh Shearer Foundation was also a beneficiary of a commitment of $6.5 million, with the first tranche of $2.5 million presented in this quarter. The Hugh Shearer Foundation intends to develop the trade union movement in Jamaica through education, research activities and provision of educational opportunities for youth in rural Jamaica. Education also received another boost in the form of a donation of $2.5 million to the Point Hill Diagnostic Centre to improve the functional literacy level of students at the Point Hill Primary & Junior High Schools, and the community.

In addition, the previously announced expansion of the Accident & Emergency Unit at the University Hospital of the West Indies went into full gear at a cost $32 million.

The Bank also announced its sponsorship of the Scotiabank West Indian Jubilee, a celebration of 75 years of cricket in the Caribbean at a cost of $32 million. This celebration will culminate in the selection of 5 Jubilee cricketers from the region.

Scotiabank Jamaica takes this opportunity to thank all of our stakeholders. To our shareholders, thank you for the commitment, trust and confidence you continue to show in Scotiabank. To our customers, thank you for your loyalty and your business, and to our employees, thank you for your professionalism, commitment and for being a great team.

Consolidated Statement of Income

Unaudited ($ millions)	For the three months ended January 2004	October 2003	January 2003
GROSS OPERATING INCOME	**5,857**	**5,738**	**4,153**
INTEREST INCOME			
Loans and deposits with banks	3,388	3,390	2,527
Securities	1,779	1,703	1,087
	5,167	5,093	3,614
INTEREST EXPENSE			
Deposits	1,357	1,342	1,227
Net interest income	3,810	3,751	2,387
Provision for credit losses	(25)	(70)	(19)
Net interest income after provision for credit losses	3,785	3,681	2,368
Net fee and commission income	469	428	311
Insurance premium income	80	65	47
Gains less losses from foreign currencies	141	131	151
Other operating income	0	21	30
	690	645	539
TOTAL OPERATING INCOME	**4,475**	**4,326**	**2,907**
OPERATING EXPENSES			
Staff costs	957	1,035	785
Premises and equipment, including depreciation	243	237	199
Changes in policyholders' reserves	578	478	272
Other operating expenses	374	333	281
	2,152	2,083	1,537
PROFIT BEFORE TAXATION	**2,323**	**2,243**	**1,370**

Taxation	(638)	(442)	(371)
NET PROFIT	**1,685**	**1,801**	**999**
Earnings per share based on 1,463,616,000 shares (cents)	**115**	**123**	**68**
Dividend per share (cents) - Regular	**40.0**	**40.0**	**30.5**
Dividend per share (cents) - Special	**-**	**38.0**	**-**
Dividend payout ratio	**34.75%**	**63.38%**	**44.68%**
Return on average equity (annuallsed)	**37.45%**	**42.30%**	**27.84%**
Return on assets (annuallsed)	**4.41%**	**4.86%**	**3.05%**
Book value per common shares	**12.29**	**12.06**	**9.81**
P/E Multiple	**6.21**	**3.64**	**5.49**
Productivity ratio	**48.38%**	**48.97%**	**53.18%**
Productivity ratio (excluding Life Insurance Business)	**36.17%**	**38.68%**	**44.60%**

Consolidated Balance Sheet

Unaudited ($ millions)	**Year ended January 31 2004**	**Year ended October 31 2003**	**Year ended January 31 2003**
ASSETS			
CASH RESOURCES	30,180	35,343	30,743
INVESTMENTS			
Originated Securities	32,118	25,910	25,446
Securities available for sale	5,943	5,220	3,286
	38,061	31,130	28,732

GOVERNMENT SECURITIES UNDER REPURCHASE AGREEMENT	16,935	17,249	14,490
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	49,983	48,075	42,628
OTHER ASSETS			
Customers' Liability under acceptances, guarantees and letters of credit	4,945	4,721	5,900
Real estate & equipment at cost, less depreciation	1,999	1,994	1,789
Deferred Taxation	89	116	71
Retirement Benefit Asset	3,049	2,978	2,817
Other assets	7,711	6,549	3,997
	17,793	16,358	14,574
TOTAL ASSETS	**152,952**	**148,155**	**131,167**
LIABILITIES			
DEPOSITS			
Deposits by public	88,503	87,067	78,957
Other deposits	4,745	4,248	3,237
	93,248	91,315	82,194
OTHER LIABILITIES			
Acceptances, guarantees & Letters of Credit	4,945	4,721	5,900
Liabilities under repurchase agreements	15,277	15,293	13,154
Deferred Taxation	1,131	1,110	1,058
Retirement Benefit Obligation	240	235	197
Other liabilities	7,026	6,350	5,002
	28,619	27,709	25,311
POLICY HOLDER'S FUND	12,754	11,475	9,014
SHAREHOLDERS' EQUITY			
Capital- Authorized, 1,500,000,000 ordinary shares			
Issued and fully paid, 1,463,616,000			
Ordinary stock units of $1 each	1,464	1,464	1,464
Reserve Fund	1,695	1,695	1,695
Retained Earnings Reserve	6,070	5,920	5,220

Loan Loss Reserve	807	807	807
Other Reserves	27	27	27
Investment Cumulative Remeasurement result from Available for Sale Financial Assets	154	23	51
Dividends Proposed	585	1,142	446
Unappropriated Profits	7,529	6,578	4,938
	18,331	17,656	14,648
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY	**152,952**	**148,155**	**131,167**

Consolidated Statement of Changes in Shareholders' Equity

Unaudited

($ millions)	Share Capital	Reserve Fund	Retained Earnings Reserve	Other Reserves	Loan Loss Reserve	Cumulative Remeasurement from AFS assets	Paid and Proposed Dividends	Unappropriated Profits	Total
Balance at 31 October 2002	**1,464**	**1,735**	**5,299**	**27**	**807**	**23**	**446**	**4,266**	**14,066**
Net profit	-	-	-	-	-	-	-	5,457	**5,457**
Retained earnings transfer	-	-	850	-	-	-	-	(850)	-
Transfers	-	(40)	(229)	-	-	-	-	269	-
Dividends paid	-	-	-	-	-	-	(446)	(1,420)	**(1,866)**

Dividends proposed	-	-	-	-	-	-	1,142	(1,142)	-
Gains/(losses) from changes in fair value, net of tax					-	-	-	-	-
Balance at 31 October 2003	**1,464**	**1,695**	**5,920**	**27**	**807**	**23**	**1,142**	**6,580**	**17,656**
Net profit	-	-	-	-	-	-	-	1,685	**1,685**
Retained earnings transfer	-	-	150	-	-	-	-	(150)	-
Dividends paid	-	-	-	-	-	-	(1,142)	-	**(1,142)**
Dividends proposed	-	-	-	-	-	-	585	(585)	-
Gains/(losses) from changes in fair value, net of tax	-	-	-	-	-	131	-	-	**131**
Balance at 31 January 2004	**1,464**	**1,695**	**6,070**	**27**	**807**	**154**	**585**	**7,529**	**18,331**

Consolidated Statement of Cash Flows

Unaudited **($ millions)**	**Three months ended January 31 2004**	**Three months ended January 31 2003**
Cash flows provided by operating activities		
Net Income	1,685	999
Adjustments to net income to determine Net Cash Flows:		

Depreciation	66	58
Policyholders reserve	1,279	680
Other, net	284	1,575
	3,314	3,312
Cash flows provided by/ (used in) investing activities		
Investment securities (net purchases and proceeds)	(6,800)	(1,391)
Loans	(1,913)	3,225
Government Securities Purchased Under Repurchase Agreement	314	(369)
Other, net	(568)	(1,437)
	(8,967)	(6,422)
Cash flows provided by/ (used in) financing activities		
Deposits	1,435	2,010
Dividends paid	(1,142)	(446)
Other, net	(35)	(564)
	258	1,000
Net change in cash	(5,395)	(2,110)
Cash at beginning of period	32,669	30,011
Cash at end of period	27,274	27,901
Represented by:		
Cash Resources	30,180	30,743
Cheques and other instruments in transit, net	(2,906)	(2,842)
CASH AT END OF PERIOD	**27,274**	**27,901**

Segment Reporting Information

Consolidated Statement of Income

For the three months ended

January 31,2004

Unaudited ($'millions)	**Financial Services**	**Investment Management services**	**Insurance services**	**Other**	**Consol. adj.**	**Group Total**
External Revenues	3,395	140	955	24		4,514
Revenues from other segments		4	7		(11)	-
	3,395	144	962	24	(11)	4,514
Operating expenses	(1,490)	(35)	(656)	(21)	11	(2,191)
Profit before taxation	1,905	109	306	3	-	2,323
Taxation						(638)
Net Profit						1,685

For the three months ended

January 31,2003

Unaudited ($'millions)	**Financial Services**	**Investment Management Services**	**Insurance Services**	**Other**	**Consol. adi.**	**Group Total**
External Revenues	2,376	74	456	18		2,924
Revenues from other segments	-	1	4	-	(5)	0
	2,376	75	460	18	(5)	2,924
Operating expenses	(1,170)	(31)	(340)	(18)	5	(1,554)
Profit before taxation	1,206	44	120	0	-	1,370
Taxation						(371)
Net Profit						999

For the three months ended

October 31,2003

Unaudited ($'millions)	**Financial Services**	**Investment Management Services**	**Insurance Services**	**Other**	**Consol. adj.**	**Group Total**
External Revenues	3,377	122	869	28	-	4,396
Revenues from other segments	2	2		-	(4)	-
	3,379	124	869	28	(4)	4,396
Operating expenses	(1,576)	(39)	(525)	(17)	4	(2,153)
Profit before taxation	1,603	85	344	11	-	(2,243)
Taxation						(442)
Net Profit						1,801

Consolidated Balance Sheet

Unaudited ($'millions)	Financial Services	Investment Management services	Insurance services	Other	Consol. adj.	Group Total
As at January 31, 2004						
Segment assets	123,318	22,562	15,132	228	(8,289)	152,952
Segment Liabilities	108,106	21,636	12,846	121	(8,088)	134,621

Unaudited ($'millions)	Financial Services	Investment Management Services	Insurance Services	Other	Consol. adJ.	Group Total
As at October 31, 2003						
Segment assets	120,288	21,659	13,652	262	(7,606)	148,155
Segment Liabilities	105,372	20,819	11,568	145	(7,405)	130,499

Unaudited ($'millions)	Financial Services	Investment Management Services	Insurance Services	Other	Consol. adj.	Group Total
As at January 31, 2003						
Segment assets	110,709	18,811	10,515	225	(9,093)	131,167
Segment Liabilities	97,836	18,141	9,297	135	(8,890)	116,519

Notes to the Consolidated Financial Statements

1. Basis of presentation

These interim consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards.

These interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year-end October 31, 2003 as set out in the 2003 Annual Report. The accounting policies used in the preparation of these interim consolidated financial statements are consistent with those used in the Bank's year-end audited consolidated financial statements.

2. Investment Securities

Investment securities areclassified asoriginated or available for sale, and are initially recognised at cost. Management determines an appropriate classification at the time of purchase.

Originated investment securities are subsequently re-measured at amortised cost.

Available for sale investment securities are subsequently re-measured at fair value. On adoption, the difference between the original carrying amount and the fair value measurement from AFS assets (see Consolidated of these

5. 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.

6. Property, plant and equipment

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

7. Provisions

A provision is made for the estimated liability for annual vacation leave as a result of services rendered by employees up to the balance sheet date.

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash resources and cheques in transit.

9. Segment reporting

The Group is organised into three main business segments:

investments was credited to the Cumulative Re-measurement from AFS assets (see Consolidated Statement of Changes in Shareholders Equity). Gains

retail and

and losses arising from the change in the fair value of includes investment and pension funds these securities are recognised as changes in the Cumulative Re-measurement from AFS assets.

3. Loan loss provision

the

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

general

expected future cash flows, discounted based on the interest rate at inception or last reprice date of the loan.

Regulatory loan loss reserve requirements that exceed these amounts are maintained within a loan loss reserve in the equity component of the Balance Sheet.

4. 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 income statement, 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 benefits to retirees. The method of accounting used to recognise the liability is

Financial services - This incorporates

corporate banking services

Investment Management Services - This includes investment and pension funds management and administration of trust accounts

Insurance services - This incorporates

provision of life insurance.

Other operations of the Group comprise

insurance brokeraging.

similar to that for the defined benefit pension plan.