



News Release
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Kingston, Jamaica

SCOTIABANK REDUCES BASE LENDING RATE

Effective June 1, 2010 Scotiabank Jamaica will reduce its base lending rate by over 200 basis points to 17.75%. This will be the Bank's lowest base lending rate in five years as well as the lowest lending rate among the major commercial banks locally.

This rate reduction is the first announced by the Bank for 2010 and follows two other rate reductions in 2009. On August 3, 2009 Scotiabank led the market by reducing its base lending rate by 100 basis points from 21.5% to 20.5%. Subsequently, the rate was again reduced to 19.875% on November 1, representing the lowest base rate in the market at that time.

Bruce Bowen, Scotiabank Group's President & Chief Executive Officer says the rate reduction is in keeping with Scotiabank's commitment to support Jamaica's private sector by providing access to affordable loans to stimulate economic recovery in all sectors. "Following Jamaica's signing of the IMF Standby Facility and completion of the Jamaica Debt Exchange in February, foreign exchange markets and security markets have stabilized, allowing for commercial lending rates to start reducing. As the country's largest and most successful financial services group we are once again taking the lead in lowering rates and making loans more affordable to our customers."

Low Interest Rate Loans

Scotiabank has a long history of leadership in providing the lowest base lending rate in Jamaica and of providing innovative financing programs to stimulate productive sector investment.

Between September 1998 and April 2010, Scotiabank has launched 17 concessionary loan programmes providing a total of \$5.7 billion to different sectors at below market interest rates. These programmes have enabled hundreds of small and medium sized companies to expand their businesses, hire employees and increase export earnings, which has had a significant impact on Jamaica's manufacturing, distribution, tourism and agricultural sectors.

Last month, in partnership with the Ministry of Agriculture and Fisheries and RADA, Scotiabank launched a \$100 million *Farm Loan Fund* to assist small farmers with planting cash crops for local consumption. The Fund provides loans at a concessionary

rate of 9.95% as part of the Ministry's F.A.R.M. (*Financial Access for Responsible Members*) Programme.

Last year, the Bank launched a J\$500 million ***Productive Sector Growth Fund***, providing loans at a rate of 9.95% to small and medium sized Jamaican companies intending to increase employment grow export earnings or replace imports into Jamaica. As part of this Fund \$75 million was earmarked for start-up businesses under two years old. \$156 million remains available in this Fund, which closes June 30, 2010.

Information on Scotiabank

Scotiabank has been in Jamaica since 1889 and is the premier financial institution in the country with just over 2,000 employees and 39 branches island wide. Scotiabank is a subsidiary of Scotiabank Group which offers a diverse range of products and services including personal, commercial, and small business banking; wealth management; insurance; and mortgages. The Group is an award winning institution having been named on numerous occasions as the Bank of the Year and Best Bank in Jamaica by international financial publications - the Banker, Latin Finance, Euromoney, and Global Finance magazines.

The Scotiabank Group has \$315 billion in assets (as at October 31, 2009). For more information please visit www.jamaica.scotiabank.com.

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