



Deepening Relationships

MEDIA RELEASE

March 8, 2017

SCOTIA INVESTMENTS REPORTS FIRST QUARTER 2017 FINANCIAL RESULTS

FIRST QUARTER 2017 HIGHLIGHTS

- Net income available to common shareholders of \$149.8 million
- Total Comprehensive Income attributable to shareholders of \$91.9 million
- Earnings per share of \$0.35
- Return on Average Equity of 4.02%
- Productivity ratio of 66.75%
- First quarter dividends of \$0.45 per share

Scotia Investments Jamaica Limited (SIJL) today reported net income of \$149.8 million for the quarter ended January 31, 2017. This represents an increase of \$32 million or 27%, when compared with \$117.8 million for the prior period ended January 31, 2016. This quarter's results includes the cost for asset tax of \$141 million which has resulted in a return on average equity of 4.02% and productivity ratio of 66.75%. Total Comprehensive Income attributable to common shareholders was \$91.9 million, compared to \$194.8 million reported for the same period last year.

The Board of Directors today, approved a first interim dividend of 45 cents per stock unit payable on April 19, 2017, to stockholders on record at March 28, 2017.

Lissant Mitchell, CEO of Scotia Investments said "Our first quarter results reflects consistent performance in our core Asset Management business line, which is in keeping with our ongoing strategic initiative of diversifying our revenue sources so as to be less reliant on net interest income. Accordingly, total non-interest income increased by 14% relative to the corresponding period last year, reflecting growth in key business lines including net gains on financial assets which increased by \$56 million (over 100%), compared to the same period last year. Our capital adequacy ratio of 42.24% a key measure of risk remains well above the regulatory requirement of 10%, thus providing significant risk adjusted returns to our shareholders.

As we look ahead to the remainder of the financial year, we are optimistic about our business prospects and by making meaningful progress on our priorities which include customer focus, business mix alignment, digital transformation, enhanced team members' engagement and structural cost transformation, we are confident that we will continue to provide value to all our Stakeholders."

MEDIA RELEASE

For further information contact Lissant Mitchell, Chief Executive Officer
• Tel: 876.960.6699 • Fax: 876.960.6705



TOTAL REVENUES

Total revenues for the three months ended January 31, 2017 was \$756.3 million, an increase of \$26.7 million or 4% above the corresponding period last year; and down \$310 million or 29% compared to the previous quarter. Unit Trust/Mutual funds and net gains on financial assets recorded increased revenues year over year.

NET INTEREST INCOME

Net interest income after impairment losses for the period was \$352 million, a reduction of \$23 million or 6% below the corresponding period last year, and \$78.6 million or 18% below the previous quarter.

OTHER REVENUE

Other revenue, which includes fee income, securities trading gains and net foreign exchange trading income, was \$404.9 million for the period, up \$50 million or 14% above the same period last year. Higher net gains on financial assets and fees earned from our asset management business contributed to the increased revenues obtained.

OPERATING EXPENSES

Total operating expenses for the period ended January 31, 2017 amounted to \$504 million, \$14 million or 3% reduction compared to the corresponding period last year. This reduction was attributable to reduced salary cost and other operating expenses during the period. There was a \$114 million increase over the previous quarter due to asset tax of \$141 million incorporated for the current quarter.

FINANCIAL CONDITION

ASSETS

Total assets of \$70.5 billion represented an increase of \$2.3 billion (3%) year over year. This was attributable to increased cash resources of \$1.8 billion, and \$2.1 billion increase related to customers' guarantees. This was offset by lower pledged assets as at January 2017 vs January 2016.

LIABILITIES

Customer liabilities represented by Securities Sold Under Repurchase Agreements, Capital Management Accounts, and Government Securities Fund decreased by \$2.7 billion to \$46.8 billion year over year.



Deepening Relationships

ASSETS & FUND MANAGEMENT HIGHLIGHTS

Assets under administration including the company's custody book grew to \$182.4 billion as at January 31, 2017, an increase of \$18.3 billion or 11% year over year. Of note the Scotia Premium US Dollar Indexed Fund launched in Q2/2016, now records \$2.3 billion in net asset value as at January 31, 2017. Assets under administration increased by \$2.2 billion over last quarter.

CAPITAL

The strength of our capital base is evident with total shareholders' equity standing at \$14.8 billion as at January 31, 2017. We continue to exceed our regulatory capital requirement, and our strong capital position also enables us to take advantage of future growth opportunities.

NON-FINANCIAL HIGHLIGHTS

Client Engagement and Education: As part of our continued efforts to build client loyalty and promote client intimacy, the team hosted three end of year client Christmas cocktails for clients from the Corporate (Treasury, Capital Markets and Asset Management) Units as well as the Kingston locations (Holborn and Signature branches) during the month of December.

Digital & Media Advertising: The company continues to promote brand awareness by embarking on a strong social media campaign on Facebook and Instagram to increase product knowledge and increase appetite for the products. Throughout the holiday period, we continued our campaign to promote brand messages which focused on personal financial portfolio development – looking at how persons can use windfall earnings over the holiday period; as well as messages on debt management. This is being supported by a new Google online campaign which promotes Scotia Investments as a leading institution to guide clients in ensuring they meet their financial goals for 2017.

Sponsorship: The company was successful in obtaining strong brand and product exposure through our sponsorship of the Jamaica Stock Exchange 2017 regional conference. Our CEO and Capital markets VP were facilitators for two main sessions. During the event, we featured our Scotia Premium USD Index Fund to attendees.

Scotia Investments wishes to thank all of our stakeholders for their continued support. To our clients, thank you for your unwavering loyalty and for 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 you, our dedicated and skilled team. Your consistent focus on client satisfaction will ensure that we continue to deliver superior customer service.

SCOTIA INVESTMENTS JAMAICA LTD.
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES
Period ended January 31, 2017


Unaudited (\$ Thousands)	For the three months ended		
	January 2017	October 2016	January 2016
GROSS OPERATING INCOME	1,096,806	1,405,652	1,111,076
Interest income	692,927	769,871	757,289
Interest expense	(341,724)	(336,965)	(393,540)
Net Interest Income	351,203	432,906	363,749
Impairment losses on loans	1,185	(1,913)	12,019
Net interest income after impairment losses	352,388	430,993	375,768
Net fee and commission income	323,492	321,935	311,280
Net foreign exchange trading income	(8,329)	139,533	5,632
Net gains on financial assets	83,013	170,544	26,719
Other revenue	5,703	3,769	10,156
	403,879	635,781	353,787
TOTAL OPERATING INCOME	756,267	1,066,774	729,555
OPERATING EXPENSES			
Salaries and staff benefits	208,606	216,078	220,356
Property expenses, including depreciation	26,857	26,831	24,934
Amortisation of intangible assets	9,082	11,017	-
Asset tax	141,022	-	136,184
Other operating expenses	118,441	135,645	136,615
	504,008	389,571	518,089
PROFIT BEFORE TAXATION	252,259	677,203	211,466
Taxation	(102,414)	(140,447)	(93,625)
PROFIT FOR THE PERIOD	149,845	536,756	117,841
PROFIT AFTER TAXATION ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	149,845	536,756	117,841
Earnings per stock unit - Basic (cents)	35	127	28
Return on average equity (annualized)	4.02%	14.50%	3.33%
Productivity ratio	66.75%	36.45%	72.20%

SCOTIA INVESTMENTS JAMAICA LTD.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Period ended January 31, 2017

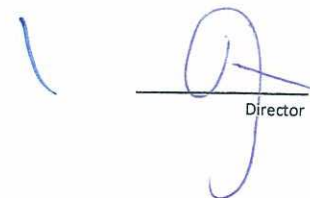
Unaudited (\$ Thousands)	For the three months ended		
	January 2017	October 2016	January 2016
Profit for the period	149,845	536,756	117,841
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Unrealised (losses)/gains on available for sale securities	(95,389)	(56,949)	60,336
Realised losses/(gains) on available for sale securities	10,446	(14,085)	-
Movement in foreign currency translation of subsidiary	(3,781)	-	-
	<u>(88,724)</u>	<u>(71,034)</u>	<u>60,336</u>
Taxation	30,756	3,156	16,616
Other comprehensive income (loss), net of tax	<u>(57,968)</u>	<u>(67,878)</u>	<u>76,952</u>
Total comprehensive income for the period	<u>91,877</u>	<u>468,878</u>	<u>194,793</u>
TOTAL COMPREHENSIVE INCOME AFTER TAXATION ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	<u>91,877</u>	<u>468,878</u>	<u>194,793</u>

SCOTIA INVESTMENTS JAMAICA LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
January 31, 2017

	January 31, 2017	October 31, 2016	January 31, 2016
Unaudited (\$ Thousands)			
ASSETS			
CASH RESOURCES	4,043,698	5,694,850	2,207,149
INVESTMENTS			
Financial assets at fair value through profit and loss	392,823	353,976	458,513
Securities available-for-sale	8,357,957	6,893,775	5,994,064
	<u>8,750,780</u>	<u>7,247,751</u>	<u>6,452,577</u>
PLEGGED ASSETS	50,142,657	52,440,265	54,297,728
LOANS, AFTER MAKING PROVISIONS FOR LOSSES	72,760	69,422	95,705
OTHER ASSETS			
Customers' liability under guarantees	5,786,284	4,143,040	3,661,859
Taxation recoverable	1,013,718	970,861	1,115,183
Other assets	463,699	412,114	198,411
Property, plant and equipment at cost, less depreciation	11,289	11,442	19,245
Intangible assets	129,306	130,484	112,840
Deferred taxation	90,392	65,232	51,822
	<u>7,494,688</u>	<u>5,733,173</u>	<u>5,159,360</u>
TOTAL ASSETS	70,504,583	71,185,461	68,212,519
LIABILITIES			
CAPITAL MANAGEMENT ACCOUNTS & GOVERNMENT SECURITIES FUND	15,654,977	15,352,087	12,777,966
OTHER LIABILITIES			
Guarantees issued	5,786,284	4,143,040	3,661,859
Liabilities under repurchase agreements	31,149,092	34,319,909	36,766,760
Other liabilities	2,977,381	2,340,541	759,586
Taxation payable	37,532	43,207	59,422
Deferred taxation	51,810	40,610	31,568
	<u>40,002,099</u>	<u>40,887,307</u>	<u>41,279,195</u>
STOCKHOLDERS' EQUITY			
Share capital	1,911,903	1,911,903	1,911,903
Cumulative remeasurement result from available-for-sale financial assets	191,636	245,823	118,426
Capital reserve	24,615	24,615	22,075
Translation Reserve	(3,781)	-	-
Unappropriated profits	12,723,134	12,763,726	12,102,954
	<u>14,847,507</u>	<u>14,946,067</u>	<u>14,155,358</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	70,504,583	71,185,461	68,212,519



Director



Director

SCOTIA INVESTMENTS JAMAICA LTD.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
January 31, 2017

Unaudited (\$ Thousands)	Share Capital	Cumulative Re- measurement Result from Available-for-sale Financial Assets	Capital Reserve	Translation Reserve	Unappropriated Profits	Total
Balance as at 31 October 2015	1,911,903	41,474	22,075	-	12,175,550	14,151,002
Net profit	-	-	-	-	117,841	117,841
Other comprehensive income:						
Items that may be reclassified to profit or loss						
Unrealised gains on available-for-sale securities, net of taxes	-	76,952	-	-	-	76,952
Total comprehensive income for the period	-	76,952	-	-	117,841	194,793
Other equity transactions:						
Dividends paid	-	-	-	-	(190,437)	(190,437)
Balance as at 31 January 2016	1,911,903	118,426	22,075	-	12,102,954	14,155,358
Balance as at 31 October 2016	1,911,903	245,823	24,615	-	12,763,726	14,946,067
Net Profit	-	-	-	-	149,845	149,845
Other comprehensive income:						
Items that may be reclassified to profit or loss						
Unrealised losses on available-for-sale securities, net of taxes	-	(61,151)	-	-	-	(61,151)
Realised losses on available-for-sale securities	-	6,964	-	-	-	6,964
Movement in foreign currency translation of subsidiary	-	-	-	(3,781)	-	(3,781)
Total comprehensive income for the period	-	(54,187)	-	(3,781)	149,845	91,877
Other equity transactions:						
Dividends paid	-	-	-	-	(190,437)	(190,437)
Balance as at 31 January 2017	1,911,903	191,636	24,615	(3,781)	12,723,134	14,847,507

SCOTIA INVESTMENTS JAMAICA LTD.
CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
 Period ended January 31, 2017

Unaudited (\$ Thousands)	2017	2016
Cash flows used in operating activities		
Profit for the period	149,845	117,841
Adjustments to net income:		
Depreciation & amortization	11,838	2,657
Impairment losses on loans	(1,185)	(12,019)
Other, net	(248,789)	(270,123)
	(88,291)	(161,644)
Changes in operating assets and liabilities		
Pledged assets	2,463,923	(495,884)
Securities sold under repurchase agreements	(3,138,742)	(811,598)
Financial assets at fair value through profit and loss	(38,847)	989
Other, net	1,123,257	386,678
	321,300	(1,081,459)
Cash flows provided by/(used in) investing activities		
Investment securities	(1,528,548)	1,278,609
Property, plant and equipment, Intangibles, net	(10,507)	(5,373)
	(1,539,055)	1,273,236
Cash flows used in financing activities		
Dividends paid	(190,437)	(190,437)
	(190,437)	(190,437)
Effect of exchange rate on cash and cash equivalents	(36,501)	30,984
Net change in cash and cash equivalents	(1,444,693)	32,324
Cash and cash equivalents at beginning of year	9,945,716	7,341,194
	9,945,716	7,341,194
Cash and cash equivalents at end of period	8,501,023	7,373,518
Represented by:		
Cash resources	4,043,698	2,207,149
Less: accrued interest on cash resources	(179)	(183)
Reverse repurchase agreements and other investments less than ninety days	4,457,504	5,166,552
	4,457,504	5,166,552
	8,501,023	7,373,518

Scotia Investments Jamaica Limited
Notes to the Consolidated Financial Statements
January 31, 2017

1. Identification

Scotia Investments Jamaica Limited is a 77.01% subsidiary of Scotia Group Jamaica Limited, which is incorporated and domiciled in Jamaica. Scotia Group Jamaica Limited is a 71.78% subsidiary of Scotia Bank Caribbean Holdings Limited, which is incorporated and domiciled in Barbados. The Bank of Nova Scotia which is incorporated and domiciled in Canada is the ultimate parent.

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting'. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended October 31, 2016, which was prepared in accordance 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.

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 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 investments and financial assets at fair value through profit and loss are carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method. Gains and losses arising from changes in the fair value of 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 the statement of comprehensive income. Interest calculated using the effective interest method is recognized in the statement of revenue and expenses.

Scotia Investments Jamaica Limited
Notes to the Consolidated Financial Statements
January 31, 2017

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.

	<u>2017</u>	<u>2016</u>
	\$' 000	\$' 000
Securities Sold Under Repurchase Agreements:		
Clients	27,351,883	31,036,740
Other Financial Institutions	7,126,693	10,405,089
Capital Management and Government Securities Funds	<u>15,664,081</u>	<u>12,855,899</u>
	<u>50,142,657</u>	<u>54,297,728</u>

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 flow, discounted based on the interest rate at inception or the last re-price date of the loan.

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.

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.

9. Managed funds

The Group provides custody, trustee, corporate administration, investment management and advisory services to third parties. This involves the group making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements.

The subsidiary, Scotia Asset Management (Jamaica) Limited also 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.

The Group had financial assets under administration of \$182,401,763,000 (2016: \$164,146,746,000).

SCOTIA INVESTMENTS JAMAICA LIMITED
TOP TEN (10) LARGEST SHAREHOLDERS
AS AT 31 JANUARY 2017

SHAREHOLDER	NO. OF UNITS	PERCENTAGE
SCOTIA GROUP JAMAICA LIMITED	325,891,065	77.01
SAGICOR PIF EQUITY FUND	14,441,768	3.41
MAYBERRY WEST INDIES LIMITED	10,413,891	2.46
TRADING A/C - NATIONAL INSURANCE FUND	7,021,597	1.66
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA	3,263,448	0.77
JCSD TRUSTEE SERVICES LTD A/C # 76579-02	2,237,886	0.53
PETER WING CHUAN AYUEN	2,001,000	0.47
GRACE KENNEDY LIMITED PENSION SCHEME	1,984,000	0.47
P.A.M. LTD. - POOLED PENSION EQUITY FUND	1,848,251	0.44
GUARDIAN LIFE LIMITED	1,582,166	0.37
TOTAL	370,685,072	87.59

SCOTIA INVESTMENTS JAMAICA LIMITED
SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES
QUARTERLY REPORT AS AT 31 JANUARY 2017

DIRECTORS	HOLDINGS AS AT 31 JANUARY 2017
ALEXANDER, BARBARA OLIVE LOUISE	0
BEFORE ANN AFTER LIMITED	0
FORRESTER, TERRANCE	0
GOFFE, GAVIN	0
GOLDSON, PETER	0
KELMAN, CHRISTOPHER	623
LEVY, BRUCE	0
MINOTT, NORMAN	0
MINOTT- PHILLIPS, SANDRA	0
PHILLIPS-BLACK. GINA	0
REID, HILARY	0
SCARLETT- LOZER, ANDREA	0
WONG, MALIACA	0
CHANG, ANTHONY	0
CHANG, ERIN ELIZABETH	0
CHANG, MATTHEW ANTHONY	0
FOWLER, ANGELA	0
FOWLER, ROBERT HENRY	0
HALL, JEFFREY	0
CHUA, DR SWEE	0
HALL, JEI HAN CHUA	0
HALL, LI AN	0
JAMAICA PRODUCERS GROUP LTD.	0
MCCONNELL, WILLIAM	0
MITCHELL, LISSANT	0
MITCHELL, LISSANT/MITCHELL, MATTHEW CRAIG	2,000
GROVE INVESTMENT MANAGEMENT LIMITED	0
SHARP, JACQUELINE	0
SHARP, ALEXANDER	0
SHARP, JACQUELINE/SHARP, JASON	0
SHARP, LAUREN	0
WELLING, CATHY	0

SHAREHOLDINGS OF OFFICERS AND CONNECTED PARTIES
QUARTERLY REPORT AS AT 31 JANUARY 2017

SENIOR MANAGERS	HOLDINGS AS AT 31 JANUARY 2017
FRAZER, BRIAN	0
FRAZER, BRIAN/CAMIELLE FRAZER	838
FRAZER, CAIRO	0
FRAZER, KENYA	0
PENSION FUND ASSOCIATION OF JAMAICA	0
COKE, DYLAN	0
MCKENZIE, KARL	0
McKENZIE, BARBARA COLLEEN	0
McKENZIE, CHRISTOPHER KARL	0
McKENZIE, JUDITH ARCHER	0
McKENZIE, KARL/ McKENZIE, BARBARA	3,000
McKENZIE, MICHAEL ANTHONY	0
McKENZIE, ROBERT PAUL	0
MILLER, HUGH	10,000
LEVY, SERITA-GAYE	0
MILLER, SHELIA OPHELIA	0
MILLER, HODEEM GARETH	0
MILLER, SHADAE GRACE-ANN	0
MITCHELL, LISSANT	0
MITCHELL, LISSANT/MITCHELL, MATTHEW CRAIG	2,000
GROVE INVESTMENT MANAGEMENT LIMITED	0
SYLVESTER, COURTNEY	0
SYLVESTER, BENJAMIN I.	0
SYLVESTER, CORAH ANN ROBERTSON	0
SYLVESTER, EMMANUEL C.	0
SYLVESTER, JESSICA Z.	0
TINKER, ANDREA	216,050
ACAL COMPANY LIMITED	0
CAD CUSTOMS BROKERS LIMITED	0
ST ANDREW PARISH FOUNDATION	0
WRIGHT, MICHELLE	0