MEDIA RELEASE

June 12, 2019

SCOTIA GROUP JAMAICA REPORTS SECOND QUARTER OF FISCAL 2019 RESULTS

Scotia Group reports net income of $3.3 billion for Q2 which represents an increase of $965 million or 42% above the first quarter ended January 31, 2019. This brings net income to $5.6 billion for the six months ended April 30, 2019 compared to $6.7 billion for the corresponding period last year. Excluding gains on the sale of a subsidiary of $753 million included in prior year, and additional IFRS 9 related provisions of $487 million in the current year, net income increased year on year by $96 million or 2%.

Financial Highlights

	6 months ended 30-Apr-19 $millions	6 months ended 30-Apr-18 $millions
Total revenues	22,091	21,653
Total operating expenses	12,744	11,205
Net profit after tax	5,615	6,758
Return on equity	9.61%	12.81%
Productivity ratio	57.69%	51.74%
Operating leverage	-11.7%	4.0%
Earnings per share (cents)	180	217
	30-Apr-19 $millions	30-Apr-18 $millions
Total assets	544,470	515,794
Investments	155,537	164,849
Loans (net of allowances for credit losses)	189,396	170,874
Deposits by the public	307,075	283,049
Liabilities under repurchase agreements and other client obligations	21,755	32,602
Policyholders' fund	45,143	44,919
Stockholders' equity	119,787	109,092

David Noel, President and CEO of Scotia Group Jamaica commented "Our strategy to focus more aggressively on growing our core business is paying off with growth in loans (net of allowances for credit losses) totaling $18.5 billion at the end of the quarter which represents an increase of 11% year over year. I am particularly pleased that commercial loans to the private sector increased by 23% and our mortgage portfolio grew by 13% relative to prior year. The Group's financial performance was however impacted by the continued compression of net interest margins, the new treatment of credit loss provisions based on the adoption of IFRS 9, and increased investments in technology as we build our business for the future. While our revenues have been significantly impacted by the low interest rate environment, we believe that low interest rates are good for the economy and leads to improved macroeconomic stability over the long term.

We continue to make significant investments in our core business operations including ATMs, digital platforms and branch infrastructure. We are rolling out 100 upgraded ATMs/Intelligent Deposit Machines (IDMs) across our network this year with 48 already installed. Our new IDMs allow envelope-free deposits for cash and cheques, have a fresh interface to speed up transactions and customers can also use them to pay bills. We also introduced new transaction and security alerts, and credit card controls that have enhanced our customers' daily banking experience. We are also investing $1.4 billion to modernize our flagship Scotia Centre branch and renovate our Head Office to create a new space designed to improve engagement, efficiency and customer service. While these initiatives have resulted in elevated expenses year to date, we believe we are making the right strategic investments to position our business for long-term success.

We continued to deliver on our customer focused agenda launching various product initiatives with strong value propositions. We saw very positive results from the public to our reduced residential mortgage rate of 6.99% and small business loan rate of 9.99% and as a result, we have decided to extend those rates for another 3 months. Additionally, The Scotiabank Vision Achiever (SVA) programme was launched in April. Now in its ninth year, SVA is a transformative coaching programme for small business operators designed to systemize business processes, improve efficiency and increase profits.

I would like to thank all our shareholders and customers for the confidence and trust they have placed in our bank and for partnering with us to achieve their financial goals."

Today, the Board of Directors approved an interim dividend of 51 cents and a special dividend of 194 cents per stock unit in respect of the second quarter, which is payable on July 24, 2019 to stockholders on record as at July 2, 2019. Increased dividends are being paid this quarter based on a decision taken to distribute accumulated earnings built up over several years. After factoring this distribution our capital remains strong to take advantage of future growth opportunities.

	3 months ended 30-Apr-19 $millions	3 months ended 31-Jan-19 $millions	3 months ended 30-Apr-18 $millions
Total revenues	10,587	11,504	10,060
Total operating expenses	5,407	7,336	4,837
Net profit after tax	3,290	2,325	3,346
Return on equity	11.21%	8.06%	12.51%
Productivity ratio	51.08%	63.77%	48.08%
Dividends per share (cents)	245	51	48

GROUP FINANCIAL PERFORMANCE

TOTAL REVENUES

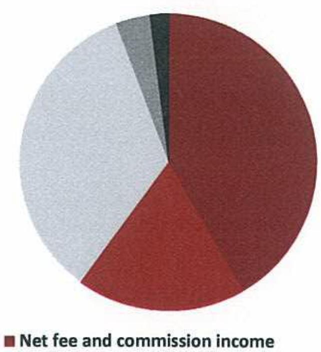
Total revenues excluding expected credit losses for the six months ended April 30, 2019 was $22 billion, up $438 million or 2% above the comparative period last year. Excluding the one-off impact of gains from sale of subsidiary last year, total revenues grew by 6%. Loan and transaction volumes continued to grow across our business lines, however lower interest rates due to a stable macroeconomic environment and increased competition, resulted in margin compression. Net interest income after expected credit losses for the six months period was $10.9 billion, down $1.4 billion or 11% when compared to the comparative period last year. (Interest rate impact of $1.5 billion year to date April 2019).

OTHER REVENUE

Other income, defined as all income other than interest income, was $9.9 billion for the period, up $1 billion or 11% from last year.

- Net fee and commission income amounted to $4.1 billion flat vs. last year, impacted by continuous customer education on alternatives to reduce fees, and the ongoing shift to online and mobile transactions which attract lower fees.
- Insurance revenue decreased by $68.6 million or 4% to $1.8 billion due mainly to lower actuarial reserve releases year over year, partly offset by higher premium income.
- Net gains on foreign currency activities and financial assets amounted to $3.4 billion, up $1.7 billion or 104% above last year due to increased market activities.

Sources of Non-Interest Revenue



CREDIT QUALITY

Expected credit losses were up $787.6 million above last year, impacted by the initial adoption of IFRS 9, (Financial Instruments) which resulted in a significant change to the Group's impairment methodology. The quality of both our retail and commercial credit portfolios continue to improve. NALs as at April 30, 2019 totaled $3.5 billion compared to $4.1 billion last year.

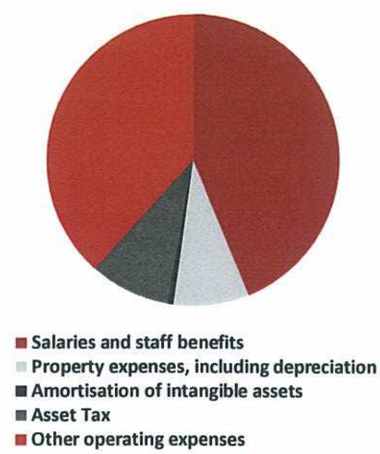
The Group's NALs represent 1.9% of gross loans down from 2.5% last year, and represent 0.7% of total assets. The Group's aggregate expected credit losses for loans as at April 30, 2019 was $5.6 billion, representing over 100% coverage of the total non-performing loans.

OPERATING EXPENSES AND PRODUCTIVITY

Operating expenses amounted to $12.7 billion for the period, an increase of $1.5 billion or 14% compared to prior year. Salaries and staff benefit costs increased by $441 million or 9%, while other operating expenses grew by $978 million. The growth in operating expenses was primarily due to increased technology investments such as ATM software, online banking enhancements, security chips for credit cards and network upgrade to support our digital strategy. Asset tax expenses increased by $44 million or 4% to $1.1 billion due to the increase in the Group's assets.

Our productivity ratio at the end of the period was 57.69% compared to the 51.74% recorded for last year.

Sources of Non-Interest Expenses



GROUP FINANCIAL CONDITION

ASSETS

Total assets increased year over year by $28.7 billion or 6% to $544 billion as at April 30, 2019. The growth was attributable mainly to an overall increase of $18.5 billion in loans, and $11 billion in other assets resulting from a higher retirement benefit asset on our defined benefit pension plan scheme.

Cash Resources

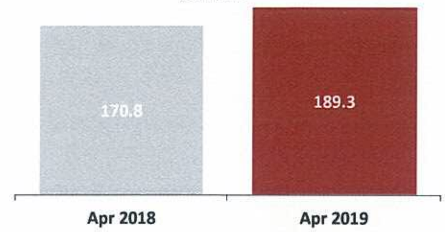
Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $133.3 billion, up by $7.1 billion or 6% compared to last year due to increased liquidity from inflows of retail and commercial deposits. We continued to maintain adequate liquidity levels to enable us to respond effectively to changes in cash flow requirements.

Securities

Total investment securities, including pledged assets, decreased by $9.3 billion to $155.5 billion due to a higher volume of short term placements when compared to prior year, coupled with lower balances being held in our investment company arising from an increase in our Clients' off-balance sheet holdings.

Loans

Our loan portfolio grew by $18.5 billion or 11% year over year, with loans after allowances for credit losses, increasing to $189.3 billion. We continue to see solid performance across our business lines quarter over quarter and year over year.

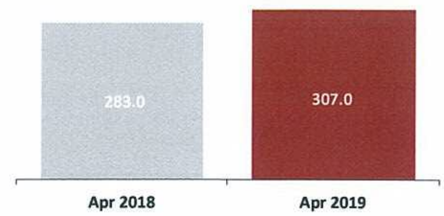


LIABILITIES

Total liabilities were $424.7 billion as at April 30, 2019 an increase of $17.9 billion or 4% above last year, driven mainly by increases in our retail and commercial customer deposit base.

Deposits

Deposits by the public increased to $307 billion, up from $283 billion in the previous year. This $24 billion or 8% growth in core deposits was reflected in higher inflows from our retail and commercial customers, signaling continued confidence in the strength of the Group.



Obligations related to repurchase agreements, capital management and government securities funds

This mainly represents placements by clients of Scotia Investments in addition to other wholesale funding. Our strategic focus is to grow our off-balance sheet business, namely, mutual funds and unit trusts, as a result our fund and asset management portfolios grew by $21.2 billion or 14% above prior year. Consequently, these obligations (net) decreased by $10.8 billion or 33% compared to the prior year.

Policyholders' Fund

The Policyholders' Fund reflects the insurance contract liabilities held at Scotia Insurance for our flagship product ScotiaMINT. The Fund stood at $45.1 billion as at April 30, 2019 compared to $44.9 billion in the previous year.

CAPITAL

Shareholders' equity available to common shareholders grew to $119.8 billion, increasing by $10.7 billion or 10% year over year, as a result of internally generated profits. We continue to exceed regulatory capital requirements in all our business lines, and our strong capital position also enables us to manage increased capital adequacy requirements in the future, and take advantage of growth opportunities.

OUR COMMITMENT TO THE COMMUNITY

During the quarter, Scotiabank continued its corporate social responsibility activities with various donations.

Highlights for the quarter included the Bank's $1.0 million contribution to the Governor General's Achievement Awards, which recognizes unsung individuals from all parishes as well as the Diaspora for their contribution to nation building.

Scotiabank also made a contribution of $1.0 million to the 2019 "Emerging Leaders' Dialogues" which brings together early to mid-career leaders to build their knowledge and ethics and prepare them to become top decision makers in their organizations, communities and countries.

In Student Care, the Foundation created and distributed educational posters on food safety, storage and serving to the 34 beneficiary institutions under the Nutrition for Learning Programme. The Bank also continued its commitment to financial literacy through a partnership with Junior Achievement Jamaica.

Consolidated Statement of Revenue and Expenses
Period ended April 30, 2019

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	April 2019	January 2019	April 2018	April 2019	April 2018
Interest income	6,694,785	6,881,112	6,975,280	13,575,897	14,461,711
Interest expense	(649,370)	(685,609)	(792,486)	(1,334,979)	(1,642,823)
Net interest income	6,045,415	6,195,503	6,182,794	12,240,918	12,818,888
Expected credit losses	(487,350)	(854,327)	(560,252)	(1,341,677)	(554,026)
Net interest income after expected credit losses	5,558,065	5,341,176	5,622,542	10,899,241	12,264,862
Net fee and commission income	2,045,388	2,054,061	2,010,418	4,099,449	4,110,589
Insurance revenue	787,550	1,021,403	707,090	1,808,953	1,877,612
Net gains on foreign currency activities	1,329,472	2,040,594	861,203	3,370,066	1,653,954
Net gains on financial assets	186,199	182,906	290,405	369,105	422,443
Gains on disposal of subsidiary	-	-	-	-	753,145
Other revenue	192,589	9,969	8,337	202,558	16,750
	4,541,198	5,308,933	3,877,453	9,850,131	8,834,493
Total Operating Income	10,099,263	10,650,109	9,499,995	20,749,372	21,099,355
Operating Expenses					
Salaries and staff benefits	2,707,871	2,867,514	2,462,042	5,575,385	5,134,559
Property expenses, including depreciation	542,117	527,666	507,162	1,069,783	995,821
Amortisation of intangible assets	38,492	38,406	37,445	76,898	75,067
Asset tax	(55,066)	1,188,433	(30,721)	1,133,367	1,089,023
Other operating expenses	2,174,053	2,714,067	1,861,499	4,888,120	3,910,041
	5,407,467	7,336,086	4,837,427	12,743,553	11,204,511
Profit before taxation	4,691,796	3,314,023	4,662,568	8,005,819	9,894,844
Taxation	(1,401,646)	(989,503)	(1,316,415)	(2,391,149)	(3,136,746)
Profit for the period	3,290,150	2,324,520	3,346,153	5,614,670	6,758,098
Attributable to:-					
Equityholders of the Company	3,290,150	2,324,520	3,346,153	5,614,670	6,758,098
Earnings per share (cents)	106	75	108	180	217
Return on average equity (annualized)	11.21%	8.06%	12.51%	9.61%	12.81%
Return on assets (annualized)	2.42%	1.73%	2.59%	2.06%	2.62%
Productivity ratio	51.08%	63.77%	48.08%	57.69%	51.74%

Consolidated Statement of Comprehensive Income
Period ended April 30, 2019

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	April 2019	January 2019	April 2018	April 2019	April 2018
Profit for the period	3,290,150	2,324,520	3,346,153	5,614,670	6,758,098
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan / obligations	4,542,420	(545,842)	2,720,813	3,996,578	3,070,559
Taxation	(1,514,140)	181,947	(906,938)	(1,332,193)	(1,023,520)
	3,028,280	(363,895)	1,813,875	2,664,385	2,047,039
Items that may be subsequently reclassified to profit or loss:					
Unrealised gains on investment securities	70,210	118,484	802,873	188,694	1,215,479
Realised gains on investment securities	(40,884)	(119,383)	(157,530)	(160,267)	(142,760)
Foreign currency translation	(2,318)	9,032	(1,757)	6,714	(14,199)
Expected credit losses on investment securities	22,043	-	-	22,043	-
	49,051	8,133	643,586	57,184	1,058,520
Taxation	(25,896)	(66,056)	(115,102)	(91,952)	(216,340)
	23,155	(57,923)	528,484	(34,768)	842,180
Other comprehensive income, net of tax	3,051,435	(421,818)	2,342,359	2,629,617	2,889,219
Total comprehensive income for the period	6,341,585	1,902,702	5,688,512	8,244,287	9,647,317
Attributable to:- **Equityholders of the Company**	6,341,585	1,902,702	5,688,512	8,244,287	9,647,317

Scotiabank

Scotia Group Jamaica Limited

Consolidated Statement of Financial Position
April 30, 2019

Unaudited	**April 30, 2019**	**October 31, 2018**	**April 30, 2018**
($ Thousands)			
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	133,385,196	122,762,983	126,243,751
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	3,162,451	24,175	8,232
INVESTMENT SECURITIES	133,071,770	134,732,786	131,556,207
PLEDGED ASSETS	19,302,590	21,433,179	33,284,601
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	900,578	300,473	-
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	189,396,391	182,607,258	170,873,592
OTHER ASSETS			
Customers' liability under acceptances, guarantees and letters of credit, net of allowances	13,641,216	13,232,396	12,983,767
Property, plant and equipment	5,315,351	5,303,898	5,291,941
Deferred taxation	68,731	67,105	151,988
Taxation recoverable	3,649,553	3,490,939	3,247,281
Retirement benefit asset	38,895,729	34,517,087	28,498,911
Other assets	2,795,812	2,428,094	2,632,224
Intangible assets	885,016	961,914	1,021,395
	65,251,408	60,001,433	53,827,507
TOTAL ASSETS	**544,470,384**	**521,862,287**	**515,793,890**
LIABILITIES			
Deposits by the public	307,074,923	287,948,379	283,048,938
Amounts due to banks and other financial institutions	9,838,353	10,312,649	9,755,483
	316,913,276	298,261,028	292,804,421
OTHER LIABILITIES			
Acceptances, guarantees and letters of credit	13,744,071	13,232,396	12,983,767
Securities sold under repurchase agreements	-	31,152	15,946,982
Capital management and government securities funds	21,754,913	23,797,925	16,655,128
Deferred taxation	11,427,913	10,790,027	9,236,306
Retirement benefit obligation	4,548,526	4,727,215	3,768,141
Other liabilities	11,151,913	10,082,485	10,388,167
	62,627,336	62,661,200	68,978,491
POLICYHOLDERS' LIABILITIES	45,143,045	45,292,329	44,919,224
STOCKHOLDERS' EQUITY			
Share capital	6,569,810	6,569,810	6,569,810
Reserve fund	3,249,976	3,249,976	3,249,976
Retained earnings reserve	41,891,770	37,891,770	34,891,770
Capital reserve	11,340	11,340	11,340
Loan loss reserve	1,752,030	2,377,843	3,074,259
Other reserves	9,964	9,964	9,964
Translation reserve	(16,711)	(23,425)	(26,458)
Cumulative remeasurement on investment securities	1,423,582	1,902,761	1,422,359
Unappropriated profits	64,894,966	63,657,691	59,888,734
	119,786,727	115,647,730	109,091,754
TOTAL EQUITY AND LIABILITIES	**544,470,384**	**521,862,287**	**515,793,890**

Director

Director

Building for the Future

Consolidated Statement of Changes in Shareholders' Equity
April 30, 2019

Unaudited ($ Thousands)	Share Capital	Reserve Fund	Retained Earnings Reserve	Capital Reserves	Cumulative Remeasurement on Investment Securities	Loan Loss Reserve	Other Reserves	Translation Reserve	Unappropriated Profits	Total
Balance as at 31 October 2017	**6,569,810**	**3,249,976**	**31,891,770**	**11,340**	**565,980**	**2,687,050**	**9,964**	**(12,259)**	**57,457,935**	**102,431,566**
Net Profit	-	-	-	-	-	-	-	-	6,758,098	6,758,098
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	2,047,039	2,047,039
Foreign Currency Translation	-	-	-	-	-	-	-	(14,199)	-	(14,199)
Unrealised gains on investment securities, net of taxes	-	-	-	-	951,552	-	-	-	-	951,552
Realised gains on investment securities, net of taxes	-	-	-	-	(95,173)	-	-	-	-	(95,173)
Total Comprehensive Income	-	-	-	-	**856,379**	-	-	**(14,199)**	**8,805,137**	**9,647,317**
Transfers between reserves										
Transfer to Retained Earnings Reserve	-	-	3,000,000	-	-	-	-	-	(3,000,000)	-
Transfer to Loan Loss Reserve	-	-	-	-	-	387,209	-	-	(387,209)	-
Net movement in reserves for non-controlling interests	-	-	-	-	-	-	-		-	-
Dividends Paid	-	-	-	-	-	-	-	-	(2,987,129)	(2,987,129)
Balance as at 30 April 2018	**6,569,810**	**3,249,976**	**34,891,770**	**11,340**	**1,422,359**	**3,074,259**	**9,964**	**(26,458)**	**59,888,734**	**109,091,754**
Balance as at 31 October 2018	**6,569,810**	**3,249,976**	**37,891,770**	**11,340**	**1,902,761**	**2,377,843**	**9,964**	**(23,425)**	**63,657,691**	**115,647,730**
Cumulative effect of adopting IFRS 9	-	-	-	-	**(437,697)**	-	-	-	**(493,768)**	(931,465)
Balance as at 1 November 2018	**6,569,810**	**3,249,976**	**37,891,770**	**11,340**	**1,465,064**	**2,377,843**	**9,964**	**(23,425)**	**63,163,923**	**114,716,265**
Net Profit	-	-	-	-	-	-	-	-	5,614,670	5,614,670
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	2,664,385	2,664,385
Foreign Currency Translation	-	-	-	-	-	-	-	6,714	-	6,714
Unrealised gains on investment securities, net of taxes and provisions	-	-	-	-	75,915	-	-	-	-	75,915
Realised gains on investment securities, net of taxes	-	-	-	-	(117,397)	-	-	-	-	(117,397)
Total Comprehensive Income	-	-	-	-	**(41,482)**	-	-	**6,714**	**8,279,055**	**8,244,287**
Transfers between reserves										
Transfer to Retained Earnings Reserve	-	-	4,000,000	-	-	-	-	-	(4,000,000)	-
Transfer from Loan Loss Reserve	-	-	-	-	-	(625,813)	-	-	625,813	-
Dividends Paid	-	-	-	-	-	-	-	-	(3,173,825)	(3,173,825)
Balance as at 30 April 2019	**6,569,810**	**3,249,976**	**41,891,770**	**11,340**	**1,423,582**	**1,752,030**	**9,964**	**(16,711)**	**64,894,966**	**119,786,727**

Building for the Future

Condensed Statement of Consolidated Cash Flows
Period ended April 30, 2019

Unaudited *($ Thousands)*	**2019**	**2018**
Cash flows provided by / (used in) operating activities		
Profit for the period	5,614,670	6,758,098
Items not affecting cash:		
Depreciation	267,571	264,747
Expected credit losses	1,341,677	554,026
Amortisation of intangible assets	76,898	75,067
Taxation	2,391,149	3,136,746
Net interest income	(12,240,918)	(12,818,888)
Gain on disposal of property	(185,239)	(168)
Gain on sale of subsidiary	-	(753,145)
	(2,734,192)	(2,783,517)
Changes in operating assets and liabilities		
Loans	(8,849,273)	(4,982,608)
Deposits	17,104,131	21,312,892
Policyholders reserve	(149,284)	(251,932)
Securities sold under repurchase agreement	(31,384)	(4,657,379)
Financial assets at fair value through profit and loss	(3,133,616)	(203)
Interest received	13,488,889	14,566,712
Interest paid	(1,366,309)	(1,704,136)
Taxation paid	(2,151,548)	(4,003,794)
Amounts with parent and fellow subsidiaries	(3,230,175)	(4,856,408)
Assets held for sale, net	-	95,265
Other	1,143,240	(3,866,866)
	10,090,479	8,868,026
Cash flows provided by / (used in) investing activities		
Investments and pledged assets	6,929,903	(6,314,795)
Net proceeds on sale of subsidiary	-	1,275,750
Purchase of property, plant, equipment and intangibles	(318,695)	(238,028)
Proceeds on sale of property, plant and equipment	224,909	1,342
	6,836,117	(5,275,731)
Cash flows used in financing activities		
Dividends paid	(3,173,825)	(2,987,129)
	(3,173,825)	(2,987,129)
Effect of exchange rate on cash and cash equivalents	2,539,071	(695,103)
Net change in cash and cash equivalents	16,291,842	(89,937)
Cash and cash equivalents at beginning of year	70,854,714	74,036,257
Cash and cash equivalents at end of period	**87,146,556**	**73,946,320**
Represented by :		
Cash resources	133,450,003	126,243,751
Less statutory reserves at Bank of Jamaica	(35,644,411)	(37,228,256)
Less amounts due from Bank of Jamaica greater than ninety days	-	(662,738)
Less amounts due from other banks greater than ninety days	(12,964,926)	(11,830,133)
Less accrued interest on cash resources	(95,193)	(66,304)
Pledged assets, t'bills and repurchase agreements assets less than ninety days	5,371,600	127,558
Cheques and other instruments in transit, net	(2,970,517)	(2,637,558)
Cash and cash equivalents at the end of the period	**87,146,556**	**73,946,320**

Segmental Financial Information

April 30, 2019

Unaudited ($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	3,976,671	9,298,813	3,962,713	1,432,322	2,568,387	852,143	-	22,091,049
Revenues from other segments	(1,244,801)	319,792	785,447	138,606	11,712	-	(10,756)	-
Total revenues	2,731,870	9,618,605	4,748,160	1,570,928	2,580,099	852,143	(10,756)	22,091,049
Expenses	(541,316)	(8,082,475)	(4,082,707)	(650,504)	(665,971)	(22,504)	(39,753)	(14,085,230)
Profit before tax	2,190,554	1,536,130	665,453	920,424	1,914,128	829,639	(50,509)	8,005,819
Taxation								(2,391,149)
Profit for the period								**5,614,670**
Segment assets	188,454,942	128,220,184	83,733,868	36,716,084	60,351,436	29,705,645	(25,054,463)	502,127,696
Unallocated assets								42,342,688
Total assets								**544,470,384**
Segment liabilities	-	167,860,566	172,720,361	27,980,094	46,054,910	52,698	(12,343,930)	402,324,699
Unallocated liabilities								22,358,958
Total liabilities								**424,683,657**
Other Segment items:								
Capital expenditure	-	218,150	100,359	186	-	-	-	318,695
Expected credit losses	2,105	1,167,062	141,263	9,918	21,329	-	-	1,341,677
Depreciation and amortisation	-	182,946	92,875	66,965	1,683	-	-	344,469

Segmental Financial Information

April 30, 2018

Unaudited (\$ Thousands)	**Banking** Treasury	**Banking** Retail	**Banking** Corporate and Commercial	**Investment Management Services**	**Insurance Services**	**Other**	**Eliminations**	**Group**
Net external revenues	3,507,904	9,313,323	3,826,617	1,476,047	2,891,179	638,311	-	21,653,381
Revenues from other segments	(1,179,733)	61,453	974,393	116,108	32,840	1,295	(6,356)	-
Total revenues	2,328,171	9,374,776	4,801,010	1,592,155	2,924,019	639,606	(6,356)	21,653,381
Expenses	(500,731)	(6,341,444)	(3,392,735)	(794,124)	(667,217)	(23,272)	(39,014)	(11,758,537)
Profit before tax	1,827,440	3,033,332	1,408,275	798,031	2,256,802	616,334	(45,370)	9,894,844
Taxation								(3,136,746)
Profit for the period								**6,758,098**
Segment assets	181,057,233	115,120,909	74,287,561	51,791,506	60,494,116	25,482,333	(23,885,197)	484,348,461
Unallocated assets								31,445,429
Total assets								**515,793,890**
Segment liabilities	-	159,654,217	152,424,423	39,448,291	47,480,071	24,862	(11,247,911)	387,783,953
Unallocated liabilities								18,918,183
Total liabilities								**406,702,136**
Other segment items:								
Capital expenditure	-	167,421	64,216	-	6,391	-	-	238,028
Impairment losses on loans	-	(452,571)	(98,435)	(3,020)	-	-	-	(554,026)
Depreciation and amortisation	-	179,631	91,133	66,586	2,464	-	-	339,814

Building for the Future

SCOTIA GROUP JAMAICA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2019

1. Identification

Scotia Group Jamaica Limited (the Company) is a 71.78% subsidiary of Scotiabank 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.

The Company is the parent of The Bank of Nova Scotia Jamaica Limited (100%) and Scotia Investments Jamaica Limited (100%). All subsidiaries are incorporated in Jamaica, except for Scotia Asset Management (St. Lucia) Inc.

2. Significant accounting policies

(a) Basis of presentation

Statement of compliance

The condensed interim 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 audited consolidated financial statements for the year ended October 31, 2018, which was prepared in accordance with International Financial Reporting Standards (IFRS).

New, revised and amended standards

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements.

(i) IFRS 9, Financial Instruments

The Group adopted IFRS 9, 'Financial Instruments' effective November 1, 2018, which resulted in changes in accounting policies related to the classification and measurement and impairment of financial assets. Changes in accounting policies were applied retrospectively and as permitted under IFRS 9, the Group did not restate comparative information for prior periods. Differences in the carrying amounts of financial instruments resulting from the adoption of IFRS 9 were recognized in retained earnings and reserves as at November 1, 2018. The impact of IFRS 9 adoption on the Consolidated Statement of Financial Position as at November 1, 2018 is set out under Note 5.

(ii) IFRS 15, Revenue from Contracts with Customers

The Group adopted IFRS 15, 'Revenue from Contracts with Customers' effective November 1, 2018. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service, and the Group must determine whether its performance obligation is to provide the service itself (i.e. the Group acts as a principal) or to arrange another party to provide the service (i.e. the Group acts as an agent). The adoption of IFRS 15 did not impact the majority of the Group's revenue, including interest income, trading revenue and securities gains. There was no significant impact on the timing and recognition of fee income for the Group.

2. Significant accounting policies (continued)

(a) Basis of presentation (continued)

Functional and presentation currency

The condensed interim consolidated financial statements are presented in Jamaican dollars, which is the Group's functional currency. All financial information has been expressed in thousands of Jamaican dollars unless otherwise stated.

(b) 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. Critical accounting estimates and judgements

The preparation of financial statements, in conformity with IFRS requires management to make estimates, apply judgements and make assumptions that affect the reported amount of and disclosures relating to assets, liabilities, income and expenses at the date of the condensed interim consolidated financial statements. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

4. Financial Assets

Financial assets include both debt and equity instruments.

Classification and measurement

Debt instruments

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL);

Classification of debt instruments is determined based on the business model under which the asset is held and the contractual cash flow characteristics of the instrument.

Equity instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase.

Impairment

The group applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9. Financial assets migrate through three stages based on the change in credit risk since initial recognition.

The Group's allowance for credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. This impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

4. Financial Assets (continued)
Impairment (continued)

Stage 1 – where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months.

Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

5. Transition to IFRS 9
Reconciliation of IAS 39 to IFRS 9

The following table provides the impact from the transition to IFRS 9 on the Consolidated Statement of Financial Position at transition date, November 1, 2018. The impact consists of reclassification and remeasurement.

Reclassification:
These adjustments reflect the movement of balances between the categories on the Consolidated Statement of Financial Position with no impact to shareholders' equity. There is no change to the carrying value of the balances as a result of the classification.

Remeasurement:
These adjustments, which include expected credit losses, result in a change to the carrying value of the item on the Statement of Financial Position with an impact to shareholders' equity net of tax.

	Original classification under IAS 39	New classification under IFRS 9	IAS 39 carrying amount as at Oct 31, 2018	Reclassification	Remeasurement	IFRS 9 carrying amount as at Nov 1, 2018
Assets						
Cash resources	Amortised cost	Amortised cost	122,762,983	-	(47,437)	122,715,546
Financial assets at fair value through profit or loss	FVTPL	FVTPL	24,175	-	-	24,175
Investment securities	Available-for-sale	FVOCI	134,732,786	(2,649,762)	-	132,083,024
Investment securities	Available-for-sale	FVTPL	-	2,649,762	-	2,649,762
Pledged assets:				-	-	-
Deposits with financial institutions	Amortised cost	Amortised cost	6,403,160	-	-	6,403,160
Investment securities	Available-for-sale	FVOCI	11,443,321	-	-	11,443,321
Investment securities	Held-to-maturity	Amortised cost	529,133	-	43,837	572,970
Loans	Loans and receivables	Amortised cost	1,308,082	-	-	1,308,082
Unitised funds	Available-for-sale	FVOCI	1,749,483	(1,749,483)	-	-
Unitised funds	Available-for-sale	FVTPL	-	1,749,483	-	1,749,483
Gov't securities purchased under resale agreements	Amortised cost	Amortised cost	300,473	-	-	300,473
Loans	Loans and receivables	Amortised cost	182,607,258	-	(1,218,062)	181,389,196
Other assets:				-	-	-
Customer liabilities under acceptances, guarantees and letters of credit	Amortised cost	Amortised cost	13,232,396	-	(86,160)	13,146,236
Other			46,769,037	-	3,605	46,772,642
			521,862,287	-	(1,304,217)	520,558,070

5. Transition to IFRS 9 (continued)
Reconciliation of IAS 39 to IFRS 9 (continued)

	Original classification under IAS 39	New classification under IFRS 9	IAS 39 carrying amount as at Oct 31, 2018	Reclassification	Remeasurement	IFRS 9 carrying amount as at Nov 1, 2018
Liabilities						
Deposits by the public	Amortised cost	Amortised cost	287,948,379	-	-	287,948,379
Due to other banks and financial institutions	Amortised cost	Amortised cost	6,823,007	-	-	6,823,007
Due to parent and fellow subsidiaries	Amortised cost	Amortised cost	3,489,642	-	-	3,489,642
Other Liabilities						-
Acceptances, guarantees and letters of credit	Amortised cost	Amortised cost	13,232,396	-	-	13,232,396
Securities sold under repurchase agreements	Amortised cost	Amortised cost	31,152	-	-	31,152
Capital management and government securities funds	Amortised cost	Amortised cost	23,797,925	-	-	23,797,925
Other			70,892,056	-	(372,752)	70,519,304
Total liabilities			406,214,557	-	(372,752)	405,841,805
Equity						
Share capital			6,569,810	-	-	6,569,810
Reserve fund			3,249,976	-	-	3,249,976
Retained earnings reserve			37,891,770	-	-	37,891,770
Capital reserves			11,340	-	-	11,340
Loan loss reserve			2,377,843	-	-	2,377,843
Other reserves			9,964	-	-	9,964
Translation reserve			(23,425)	-	-	(23,425)
Cumulative remeasurement on investment securities			1,902,761	(550,777)	113,080	1,465,064
Unappropriated profits			63,657,691	550,777	(1,044,545)	63,163,923
Total equity			115,647,730	-	(931,465)	114,716,265
Total liabilities and equity			**521,862,287**	**-**	**(1,304,217)**	**520,558,070**

6. Pledged Assets

Assets are pledged to other financial institutions, regulators, and the clearing house as collateral under repurchase agreements with counterparties.

($ Millions)	2019	2018
Investments pledged as collateral for securities sold under repurchase agreements	-	14,912
Capital Management and Government Securities funds	17,635	12,570
Securities with regulators, clearing houses and other financial institutions	1,668	5,803
	19,303	33,285

7. 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.

8. Property, plant and equipment

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

9. 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 ninety days, which are readily convertible to known amounts of cash, and are subject to insignificant risk of changes in their fair value.

10. Employee benefits

The Group operates both defined benefit and defined contribution pension plans. The assets of the plans are held in separate trustee-administered funds. The pension plans are funded by contributions from employees and by the relevant group companies, taking into account the recommendations of qualified actuaries.

(i) Defined Benefit Plan

The asset or liability in respect of the defined benefit plan is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets.

Where a pension asset arises, the amount recognized is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged as an expense in such a manner as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plan every year in accordance with IAS 19. Re-measurements comprising actuarial gains and losses, return on plan assets and change in the effect of asset ceiling are reported in other comprehensive income. The pension obligation is measured as the present value of the estimated future benefits of employees, in return for service in the current and prior periods, using estimated discount rates based on market yields on Government securities which have terms to maturity approximating the terms of the related liability.

(ii) Other post-retirement obligations

The Group also provides supplementary health care and insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the completion of a minimum service period and the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. These obligations are valued annually by qualified independent actuaries.

(iii) Defined contribution plan

Contributions to this plan are charged to the statement of revenue and expenses in the period to which they relate.

11. Segment reporting

The Group is organized into six main business segments:

- Retail Banking – this incorporates personal banking services, personal deposit accounts, credit and debit cards, customer loans, mortgages and microfinance;
- Corporate and Commercial Banking – this incorporates non-personal direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities;
- Treasury – this incorporates the Group's liquidity and investment management function, management of correspondent bank relationships, as well as foreign currency trading activities;
- Investment Management Services- this incorporates investments, unit trusts, pension and other fund management, brokerage and advisory services, and the administration of trust accounts.
- Insurance Services – this incorporates the provision of life and medical insurance, individual pension administration and annuities;
- Other operations of the Group comprise the parent company.

Transactions between the business segments are on normal commercial terms and conditions.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of items on the statement of financial position, but exclude items such as taxation, retirement benefits asset and obligation and borrowings. Eliminations comprise intercompany transactions and balances. The Group's operations are located mainly in Jamaica. The operations of subsidiaries located overseas represent less than 10% of the Group's operating revenue and assets.

12. Sale of subsidiary

On November 27, 2018 the Bank announced that it will enter into a 20-year distribution agreement with Sagicor Financial Corporation Limited ("Sagicor") through which an enhanced suite of market-leading insurance products and solutions, underwritten by Sagicor, will be offered to Scotiabank customers in Jamaica. As part of this partnership, Scotiabank has entered into an agreement to sell its insurance subsidiary - Scotia Jamaica Life Insurance Company. These agreements are subject to regulatory approval and customary closing conditions. The transaction is also subject to the closing of the announced transaction whereby Sagicor will be acquired by Alignvest Acquisition II Corporation subject to conditions in and pursuant to a plan of arrangement, and the surviving entity will continue the Sagicor brand and be publicly-listed on the Toronto Stock Exchange.

This transaction is in line with the Group's strategic direction to simplify its operations, focus on growth in core businesses and deliver value to shareholders. Until the relevant approvals are obtained, conditions met, and the transaction closes, operations will continue as usual.

SCOTIA GROUP JAMAICA LIMITED
TOP TEN (10) LARGEST SHAREHOLDERS
AS AT 30 APRIL 2019

RANK	SHAREHOLDER	HOLDINGS AS AT 30 APRIL 2019
1	SCOTIABANK CARIBBEAN HOLDINGS LIMITED	2,233,403,384
2	SAGICOR POOLED EQUITY FUND	63,241,902
3	NATIONAL INSURANCE FUND	57,924,069
4	SJIML A/C 3119	55,725,439
5	RESOURCE IN MOTION	31,257,242
6	NCB INSURANCE CO. LTD A/C WT109	26,291,176
7	GRACEKENNEDY PENSION FUND CUSTODIAN LTD	20,897,463
8	SDBG A/C 560-01	13,423,459
9	SDBG A/C 560-03	13,210,410
10	JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY	11,365,061

SCOTIA GROUP JAMAICA LIMITED

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

QUARTERLY REPORT AS AT 30 APRIL 2019

DIRECTORS	HOLDINGS AS AT 30 APRIL 2019
ALEXANDER, BARBARA OLIVE LOUISE	**108,000**
FORRESTER, TERRANCE	0
CRAWFORD, ERIC	**45,000**
GORDON, DEBBIE-ANN	0
CRAWFORD, ALEXANDER	0
FOWLER, ANGELA	**0**
FOWLER, ROBERT/ FOWLER, ANGELA	47,760
HALL, JEFFREY MCGOWAN	**0**
HALL, JEFFREY MCGOWAN/CHUA, DR. SWEE TEEN	40,000
HALL, JEI HAN CHUA	0
HALL, LI ANN	0
HART, ANTONY MARK DESNOES	**24,960**
HART, CANDACE	0
HART, CAMERON GABRIELLE	0
HART, ETHAN SAMUEL	0
HART, MAYA ALEXANDRA	0
KING, BRENDAN	**0**
BRYAN, SANDRA	0
KING, CONOR	0
KING, RYAN	0
KING, SHANNON	0
NOEL, DAVID	**0**
NOEL, DAVID/NOEL, FRANCENE	40,000
NOEL, EDEN	0
NOEL, ZACHARY	0
MCCONNELL, WILLIAM DAVID	**0**
MCCONNELL, TANIA	0
MCCONNELL, DAVID (Estate)	265,248
MCCONNELL, LEAH	0
MCCONNELL, WILLIAM K.	0
REID, LESLIE	**0**
REID, WILLIAM	0
RICHARDS, AUDREY	**5,000**
RICHARDS, LINDSAY	0
RICHARDS, DOMINIC	0
SMITH, EVELYN	**0**
SMITH, JOSEPH ALEXANDER	0
SMITH, ANNECIA	0
SMITH, NELSON ALEXANDER	0

SCOTIA GROUP JAMAICA LIMITED
SHAREHOLDINGS OF SENIOR MANAGERS AND CONNECTED PARTIES
QUARTERLY REPORT AS AT 30 APRIL 2019

SENIOR MANAGERS	HOLDINGS AS AT 30 APRIL 2019
ANDERSON, YVETT	**37,297**
ANDERSON, ANTHONY DONICA	0
ANDERSON, MISHKA TONI-ANN	0
ANDERSON, KHESS KENITRA	0
ANDERSON, EKI-AKIM	0
ANDERSON, YVETT/ANDERSON,ANTHONY	54,123
BRIGHT, ALSTON CARL	**153,172**
BRIGHT, ARTHUR	0
BRIGHT-FEARSON, SHARON	0
BRIGHT, ALSTON CARL/BRIGHT JONATHAN	116,700
BUCKNOR, DAYNE	**16,042**
BUCKNOR, AYDEN	0
BUCKNOR, MARSHA	0
BUCKNOR, VICTORIA	0
DANIEL, KIYOMI	**0**
FORBES -PATRICK, YANIQUE	**0**
FORBES, BLOSSOM	0
FORBES, SHAUN	0
PATRICK, XAVIER	0
PATRICK, ZACHARY	0
FRASER,RICHARD	**0**
KINACH, ANDREA VANESSA	0
FRASER, EMILIA	0
FRASER, ZARA	0
GAUDET, MARCIA	**0**
LECLAIR, PATRICE	0
GAYLE, PERRIN	**0**
GAYLE, NATALIE C.A.	0
GAYLE,PAXTON A	0
GAYLE, PEYTON A	0
HARVEY, VINCENT AGUSTUS	**9,045**
HARVEY, GAIL ROSALEE/ HARVEY, VINCENT A.	2,600
HARVEY, STEPHEN VINCENT	0
HARVEY, VINCENT/ HARVEY, GAIL	1,300
HARVEY	1,000
HEYWOOD, NADINE	**0**
HEYWOOD, GRANT ALEXANDER MAUNSELL	0
HEYWOOD, ZOE MONIQUE MAUNSELL	0

SENIOR MANAGERS	HOLDINGS AS AT 30 APRIL 2019
MAIR, HORACE NEIL CRAIG	**46,668**
MAIR, JODI ANN	0
MAIR, DANIEL GEORGE	0
MAIR, JOSHUA HORACE	0
MAIR, LUKE CRAIG	0
MAUCIERI, JEAN	**0**
MILLER, HUGH G	**76,591**
MILLER, SHEILA OPHELIA	0
MITCHELL, LISSANT	**0**
MITCHELL, LISSANT L./MITCHELL, ELMAY	0
MITCHELL, LISSANT L./MITCHELL, MATTHEW CRAIG	0
NELSON, MORRIS	**643**
NELSON, KALLICIA	0
NELSON, KARLENE	0
NELSON, KYLE	0
SPENCE,DEBRA	**0**
SPENCE,MELVILLE	0
SPENCE,EMANUELLE	0
SPENCE,NOAH	0
STOKES, ADRIAN	**0**
STOKES, LUCAS	0
SYLVESTER, COURTNEY A.	**257,353**
SYLVESTER, COURTNEY/SYLVESTER, CORAH-ANN	124,764
SYLVESTER, BENJAMIN	0
SYLVESTER, EMMANUEL	0
SYLVESTER, JESSICA	0
TUGWELL-HENRY, AUDREY	**0**
TUGWELL-HENRY, AUDREY MAUD/HENRY, PETER	29,996
HENRY, PETER-GAYE	0
HENRY, STEVEN	0
WHITE, GARY-VAUGHN	**102,314**
WHITE, ROSALEE KEESH-ANN	0
WHITE, CALEB- ANTHONY	0
WHITE, EDEN-GRACE ALEXANDRA	0
WHITE, NAADIA	**8,126**
WHITE, DAVID ANTHONY	0
WHITE, KIMBERLY DE-JANA	0
WHITE, KRISTOPHE JABLONSKI	0
WILKIE -CHANNER, SHELEE NADINE	**102,865**
WILKIE-CHANNER, SHELEE/CHANNER, LENNOX DECORDOVA	21,048
CHANNER, KYRA-JADE ALYSSA	0
CHANNER, MAYA-PAIGE OLIVIA	0
WRIGHT, MICHELLE	**45,504**