

MEDIA RELEASE

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SCOTIA GROUP JAMAICA REPORTS THIRD QUARTER OF FISCAL 2019 RESULTS

Scotia Group reports net income of \$9.8 billion for the nine months ended July 31, 2019 which was 12% lower than \$11.2 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 \$625 million in the current year, net income is on par with prior year.

Today, the Board of Directors approved an interim dividend of 51 cents and a special dividend of 74 cents per stock unit in respect of the third quarter, which is payable on October 23, 2019 to stockholders on record as at October 1, 2019. The Group has taken a decision to distribute accumulated earnings built up over several years. After factoring this distribution our capital remains strong to take advantage of future growth opportunities.

David Noel, President and CEO of Scotia Group Jamaica notes "We celebrated 130 years of unbroken service in Jamaica on August 24th. The Group continues to deliver solid financial results with strong growth in our core business lines, somewhat tempered by the effects of margin compression and additional costs associated with investing for the future, this continues to demonstrate the success of our intense focus on our customers.

Our loan portfolio recorded double digit growth increasing by 12% over the previous year. Contributing to this growth was our reduced residential mortgage rate of 6.99% which has been extended to the end of this financial year.

We recently announced a \$500 Million renovation of our flagship Scotia Centre branch, with state-of-the-art features designed around an enhanced customer experience focused on financial advice and solutions.

We are also making a \$1 Billion investment in our head office building to create an environment that improves our employee experience and encourages collaboration. Additionally, we have been making significant investments in our ATM network which is our most used channel. This year alone we have rolled out over 50 new ATMs including Intelligent Deposit Machines

Financial Highlights

	9 months ended 31-Jul-19 \$millions	9 months ended 31-Jul-18 \$millions	
Total revenues	33,828	33,036	
Total operating expenses	18,382	16,261	
Net profit after tax	9,788	11,157	
Return on equity	11.19%	13.86%	
Productivity ratio	54.34%	49.22%	
Operating leverage	-10.7%	5.8%	
Earnings per share (cents)	315	359	
	31-Jul-19 \$millions	31-Jul-18 \$millions	
Total assets	537,496	535,147	
Investments	145,470	157,607	
Loans (net of allowances for credit losses)	198,429	176,975	
Deposits by the public	303,578	302,229	
Liabilities under repurchase agreements and other client obligations	21,155	28,294	
Policyholders' fund	45,017	45,058	
Stockholders' equity	116,181	112,905	
	3 months ended 31-Jul-19 \$millions	3 months ended 30-Apr-19 \$millions	3 months ended 31-Jul-18 \$millions
Total revenues	11,737	10,587	11,383
Total operating expenses	5,638	5,407	5,056
Net profit after tax	4,173	3,290	4,399
Return on equity	14.15%	11.21%	15.85%
Productivity ratio	48.04%	51.08%	44.42%
Dividends per share (cents)	125	245	48