MEDIA RELEASE

December 10, 2021

SCOTIA GROUP JAMAICA REPORTS FISCAL 2021 RESULTS

Scotia Group reports net income of $8.4 billion for the year ended October 31, 2021. The Board of Directors approved a dividend of 35 cents per stock unit in respect of the fourth quarter, which is payable on January 21, 2022 to stockholders on record as at December 30, 2021. President and CEO of Scotia Group Jamaica, Audrey Tugwell Henry, commenting on the Group's performance said, "The Group delivered a commendable performance for the full year. We continue to bring value to our customers through the offering of products and solutions designed to assist them in achieving their financial goals. We recorded net profit of $8.4 billion for the 2021 fiscal year compared to $9.0 billion for 2020. The 2021 results incorporated a one-time restructuring charge to support our business transformation strategy. Our investment in technology and distribution transformation supports our long-term strategy for the Scotia Group, and we remain committed to providing best-in-class financial services to meet the changing needs of our customers.

As we pursue our Customer First Strategy, our objective remains to offer our customers efficient means to conduct their day-to-day transactions while delivering an elevated service experience, tailored advice and solutions. We are very pleased that our customers continue to opt for the convenience of digital banking for an increasing number of services including the opening of new deposit accounts which can be done in less than 5 minutes using our best-in-class Mobile Banking Application. Since the launch of this feature in March 2021, approximately 31,000 deposit accounts were opened using our Mobile App. Currently 96% of total annual retail transactions are conducted using digital and electronic channels. In the coming year, we will continue to expand our digital sales offering.

To support the growth in our business, we also invested in our physical infrastructure including the expansion and upgrade of our ABM fleet of 281 machines, which includes our new Intelligent Deposit Machines (IDMs). In our commercial business, companies have significantly increased their use of our online channels with supplier payments and payroll transactions increasing by 52% YoY. At the end of the fiscal year, 94% of total commercial payments were conducted via our online channel.

Our business lines continued to offer high quality financial solutions. We noted a steady demand for home ownership, and we satisfied this demand with our mortgage offering, resulting in a year over year growth of 14% in our mortgage portfolio. Deposits for the fiscal year increased by 12% over the prior year which continues to signal customers' confidence in the Scotia Group. Scotia Investments delivered excellent returns to clients, with two of our funds, the Scotia Premium Growth Fund and the Scotia Premium USD Indexed Fund delivering the top performances in their respective categories among local funds for 2021. Gross Premiums at Scotia Jamaica Life Insurance increased by 4% YoY, partly due to increased uptake of our Approved Retirement Scheme product, Scotia Bridge.

In October, we launched Select Pay, a new installment plan for credit card customers. This feature gives customers the option to pay for any purchase of $40,000.00 or more over a period of 3 to 12 months at a reduced interest rate. The customer response since launch has been highly positive. Providing new solutions to address the current needs of the market is a top priority, and we look forward to introducing additional products in our Banking, Insurance and Investment businesses in the coming months.

Scotiabank celebrated 132 years of unbroken service to Jamaica in August and we continue to support our customers, and the communities we serve. This year, through our Scotia Foundation, we donated approximately $23 million to assist with education, community welfare and healthcare.

As we come to the end of the year, I would like to thank our Board of Directors for their sound leadership; our dedicated Scotiabankers for their consistent hard work and commitment; our shareholders for their trust and support, and especially thank our customers for continuing to make Scotiabank their preferred financial partner."

GROUP FINANCIAL PERFORMANCE

TOTAL REVENUES

Total revenues excluding expected credit losses for the year ended October 31, 2021 was $40.6 billion and reflected a reduction of $3.4 billion or 7.8% over prior year.

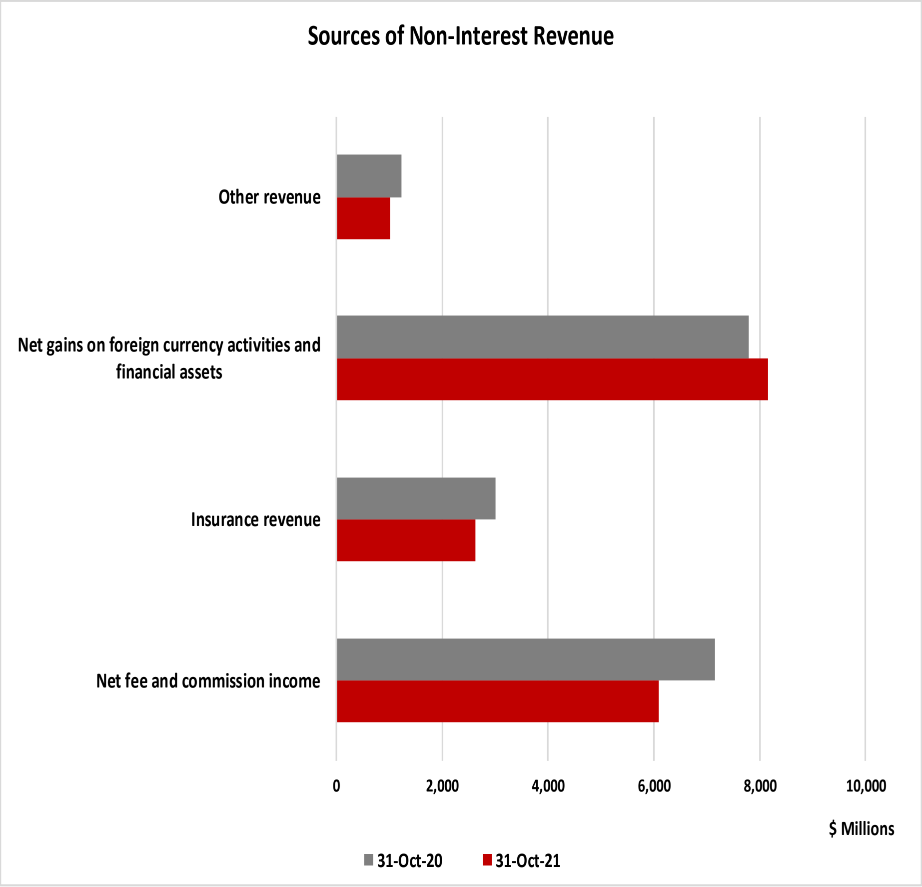
Total revenues continue to be heavily impacted by the COVID-19 pandemic as evidenced by the ongoing reduction in interest rates offered in the market and lower transaction volumes, which have contributed to a reduction in the Group's net interest income, lower net fee and commissions as well as insurance revenues.

Net interest income after expected credit losses increased by $890 million to $19.9 billion as at the end of the year. This increase was attributable to the reduction in expected credit losses of $3.0 billion (51.9%) which was partially offset by a reduction in net interest income of $2.1 billion (8.6%). Prior period results included higher provisioning given the revised assumptions incorporated in the impairment methodology, in conjunction with the adoption of a more prudent approach in determining credit loss provisions.

OTHER REVENUE

Other income, defined as all income other than interest income reduced by $1.3 billion or 6.7%.

- Net fee and commission income amounted to $6.1 billion and showed a reduction of $1.1 billion or 15%. The year over year decline noted in fee and commission revenue was primarily attributable to lower transaction volumes stemming from the COVID-19 pandemic in conjunction with the continued execution of the Group's digital adoption strategy geared towards educating customers about our various electronic channels which attract lower fees.
- Insurance revenues decreased by $376 million or 12.5% to $2.6 billion due to the reduction in premium income stemming from the pandemic as well as lower actuarial reserve releases.
- Net gains on foreign currency activities and financial assets amounted to $8.2 billion, representing an increase of $375 million or 4.8%.



- Other revenue reduced by $208 million (16.9%) given lower gains realized on the extinguishment of debt facilities.

CREDIT QUALITY

Expected credit losses for the year showed a reduction of $3.0 billion when compared to 2020. The higher credit losses reflected in prior year was mainly driven by additional provisions recorded on account of the revised assumptions incorporated in the Group's impairment methodology stemming from the COVID-19 pandemic.

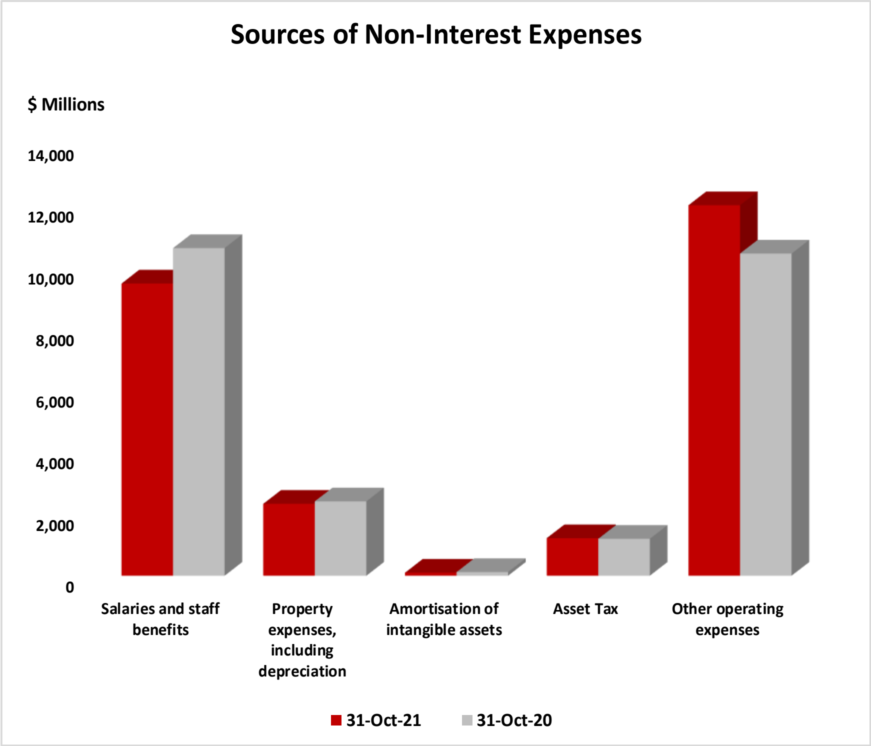
The Group's credit quality remains strong and we are well provisioned for both our performing and non-performing loans, ensuring adequate coverage for possible future net write offs.

Non-accrual loans (NALs) as at October 2021 totaled $6.0 billion compared to $4.8 billion as at October 2020. The Group's NALs represent 2.8% of gross loans up from 2.1% as at October 2020 and 1.0% of total assets (October 2020 – 0.9%). Of note, the Group's NALs as a percentage of gross loans continue to be below the industry average. The Group's aggregate expected credit losses for loans as at October 2021 was $6.2 billion, representing 103.4% coverage of total non-performing loans.

OPERATING EXPENSES

Operating expenses amounted to $25.1 billion for the year and reflected an increase of $338 million or 1.4% over prior year. The increase noted in other operating expenses was due to an increase in technology expenses as we continue to make significant investment in support of our digital transformation strategy, coupled with restructuring expenses partially offset by strong underlying cost management.

Asset tax expenses, increased year over year by $20 million or 1.7% to $1.2 billion given an increase in the Group's asset base.



GROUP FINANCIAL CONDITION

ASSETS

The Group's asset base grew by $42.2 billion or 7.8% to $585.4 billion as at October 2021. This was predominantly as a result of the growth in our cash resources of $27.4 billion (19.4%), investment securities of $22.6 billion (16.3%) and other assets of $4.4 billion (10.2%), which was partially offset by a reduction in our loan portfolio of $12.2 billion (5.5%).

Cash Resources

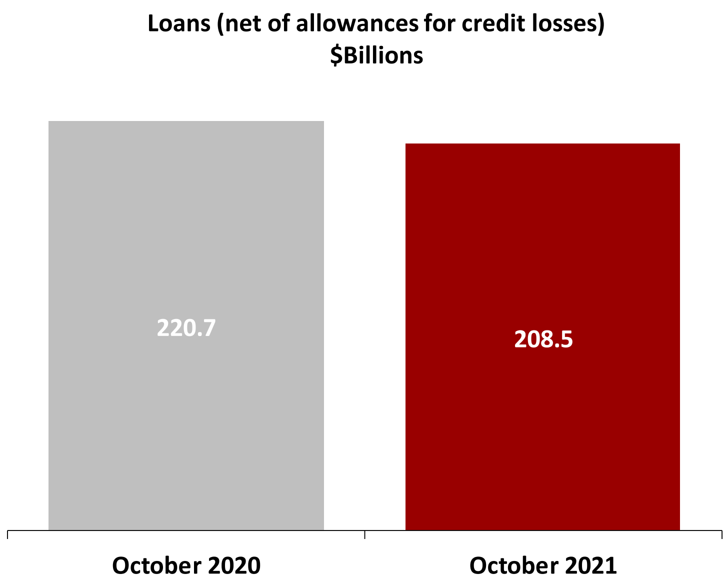
Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $168.7 billion, increasing by $27.4 billion or 19.4% over prior year. The increase noted was directly attributable to the growth in our core deposits in conjunction with loan repayments. The Group continues to maintain adequate liquidity levels to enable us to respond effectively to changes in our cash flow requirements.

Securities

Total investment securities including pledged assets, increased by $22.6 billion or 16.3% to $161.0 billion compared to $138.4 billion as at October 2020. The increase noted was due to the purchase of additional securities with the proceeds from incoming deposits and loan maturities/repayments.

Loans

Our loan portfolio showed a reduction by $12.2 billion or 5.5% over prior year, with loans after allowances for credit losses reducing to $208.5 billion. Loan repayments coupled with lower loan demand in light of the global pandemic accounted for the year over year movement.

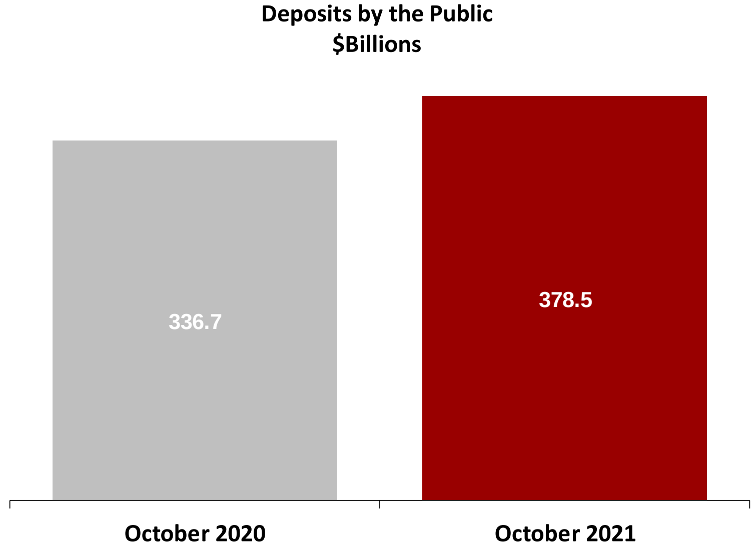


LIABILITIES

Total liabilities were $471.8 billion as at October 31, 2021 and showed an increase over prior year of $39.4 billion or 9.1%. The increase noted was driven mainly by increased customer deposits, deferred taxation and a higher retirement benefit obligation which was partially offset by the reduction in other liabilities and capital management fund balances.

Deposits

Deposits by the public increased to $378.5 billion, up from $336.7 billion as at October 2020. The $41.8 billion or 12.4% 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

Net obligations decreased by $349.7 million or 1.8% year over year. Our strategic focus continues to be geared towards growing our off-balance sheet business, namely, mutual funds and unit trusts. As at October 2021 our asset management portfolios grew by $11.4 billion or 6.4% given the performance of the portfolios and the stock market.

Policyholders' Fund

The Policyholders' Fund reflects the insurance contract liabilities held at Scotia Insurance for our flagship product ScotiaMINT. The Fund stood at $45.9 billion as at October 2021 compared to $45.3 billion as at October 2020. Our Scotia Affirm product continues to perform well, growing 26% year over year with a current net asset value of $1.1 billion. The increase noted was attributable to our strong sales effort coupled with the improved performance of the stock market.

Other Liabilities

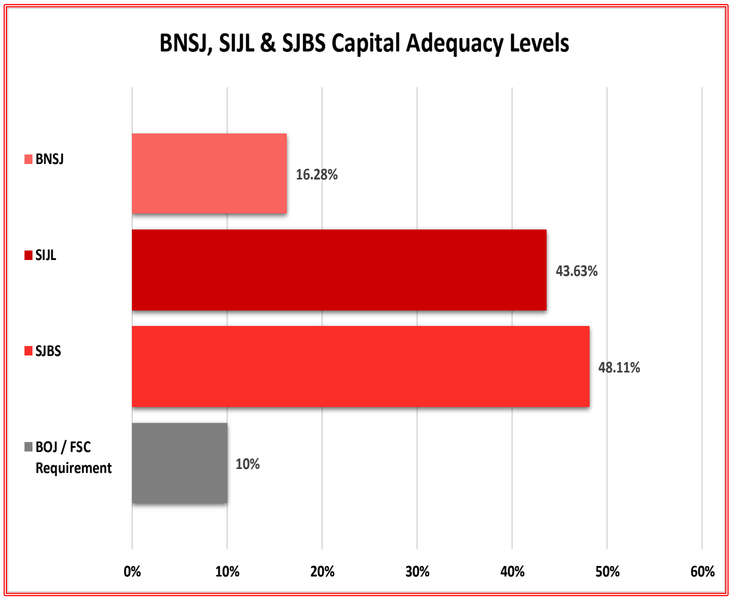
Other liabilities totaled $26.7 billion as at October 2021 and showed a marginal increase of $84 million or 0.3% over prior year. The year over year movement was attributable to an increase in deferred taxation of $724.8 million or 10.3% given the change in the retirement benefit asset coupled with an increase in the retirement benefit obligation of $696 million or 15.3% based on the revised assumptions used in the actuarial valuation. This was partially offset by the reduction in other liabilities of $1.3 billion or 8.9% given the settlement of outstanding dividends declared to shareholders owning more than 1%.

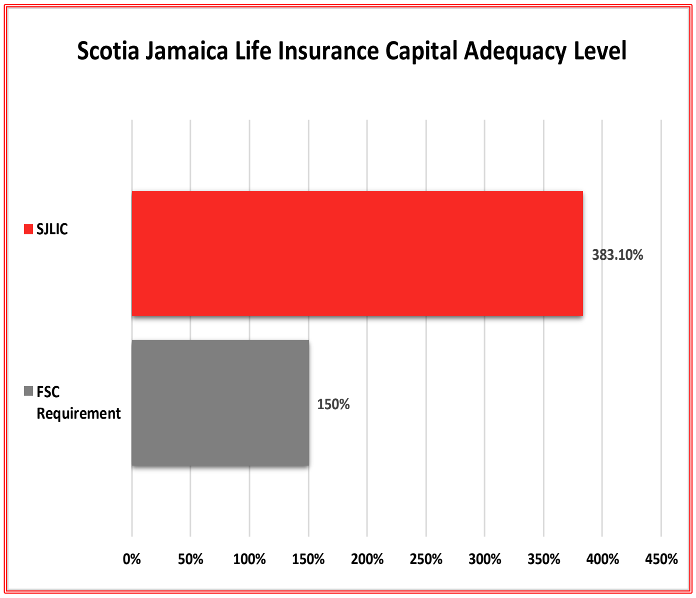
CAPITAL

Shareholders' equity available to common shareholders increased by $2.8 billion or 2.6% over prior year to $113.6 billion. This was due primarily to the re-measurement of the defined benefit pension plan assets coupled with internally generated profits which was partially offset by dividends paid.

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 regulatory capital adequacy levels versus the minimum requirement is shown below:

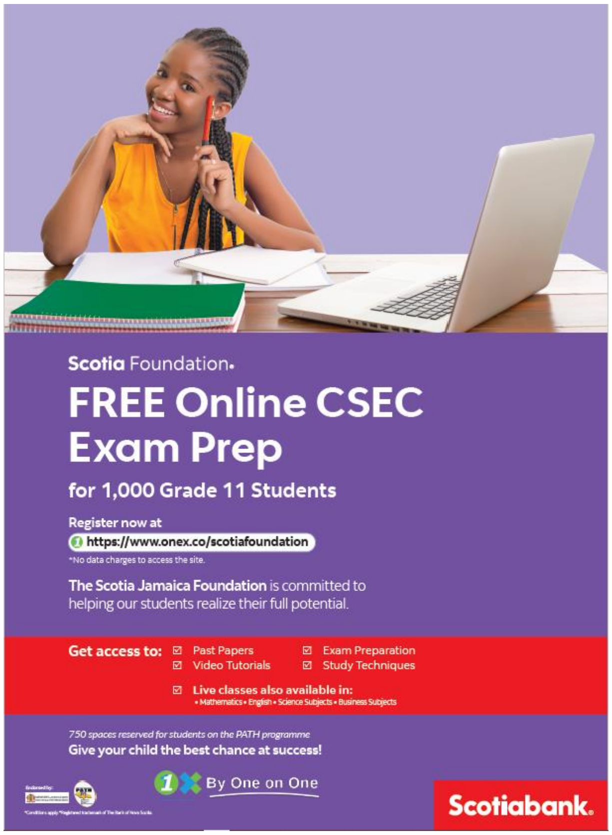




SCOTIABANK COMMITMENT TO THE COMMUNITY

Social Impact

Over the past year, the Bank has continued to play a vital role in assisting the ongoing recovery efforts from the COVID-19 pandemic. The Scotia Jamaica Foundation embarked on a new journey to foster and promote economic resilience within our communities with donations made during the quarter totaling $17.9 million.



Education : CSEC Tutorials

The Foundation invested $7.5 million in an online-based CSEC exam preparation programme that has facilitated **1,000 Jamaican high school students** who will be sitting final examinations in 2022. Seventy-five percent of the spaces were allotted to students whose families receive government assistance. The programme offered live classes in seven subject areas, past paper reviews, video-based tutorials and academic coaching. Classes began in October 2021 and will conclude on December 16, 2021. The objective of the programme is to help mitigate the impact that the pandemic has had on our students as well as the potential impact on their future, endorsements were received by both the Ministry of Education Youth and Culture as well as the Ministry of Labour and Social Security

Shining Star Scholarships

The Foundation continued its support of secondary level students enrolled under the Shining Star Scholarship programme. Approximately $2 million was disbursed to twenty-five fifth and sixth form students attending various high schools across the island.

Tablet Donations

$3.9 million has been committed to the United Way of Jamaica to provide 132 tablets for needy students in rural Jamaica in line with the Bank's 132nd anniversary. This donation was made in the context of the current challenges faced regarding access to virtual learning, and as the pandemic continues, a blended modality for learning will likely continue into 2022.

COVID-19 Relief and Community Support

The Bank has committed a further $1.5 million to the fight against COVID-19 through the Private Sector Vaccination Initiative which continues to provide access to vaccines for members of the public. The Bank has also hosted vaccination drives for staff members and their families in collaboration with other members of the sector.

Donations of $3 million have been committed to the Food for the Poor Organization, and the Salvation Army to bring relief to needy families during the upcoming yuletide season.

The Bank continues in its efforts to support and promote economic resilience within Jamaican communities under the ScotiaRise philanthropic umbrella.

Scotiabank

Consolidated Statement of Revenue and Expenses
Year ended October 31, 2021

	For the three months ended			For the year ended	
($ Thousands)	October 2021	July 2021	October 2020	October 2021	October 2020
Interest income	6,156,875	6,159,482	6,700,962	24,567,824	27,228,861
Interest expense	(453,548)	(453,870)	(552,885)	(1,856,335)	(2,371,257)
Net interest income	5,703,327	5,705,612	6,148,077	22,711,489	24,857,604
Expected credit losses	(819,226)	(584,258)	(590,445)	(2,809,239)	(5,845,181)
Net interest income after expected credit losses	4,884,101	5,121,354	5,557,632	19,902,250	19,012,423
Net fee and commission income	1,101,782	1,948,743	2,078,035	6,088,320	7,158,568
Insurance revenue	608,871	695,608	587,731	2,633,082	3,009,412
Net gains on foreign currency activities	1,349,687	1,653,048	1,546,378	7,556,774	6,845,381
Net gains on financial assets	98,120	198,538	403,485	604,430	940,873
Other revenue	18,817	15,557	1,192,067	1,023,004	1,230,755
	3,177,277	4,511,494	5,807,696	17,905,610	19,184,989
Total Operating Income	8,061,378	9,632,848	11,365,328	37,807,860	38,197,412
Operating Expenses					
Salaries and staff benefits	2,164,723	2,262,913	2,712,278	9,475,842	10,625,082
Property expenses, including depreciation	648,744	492,354	607,188	2,331,915	2,411,229
Amortisation of intangible assets	24,191	24,500	29,422	97,672	117,562
Asset tax	-	-	-	1,217,783	1,197,510
Other operating expenses	3,255,107	2,907,546	2,697,704	12,015,469	10,448,941
	6,092,765	5,687,313	6,046,592	25,138,681	24,800,324
Profit before taxation	1,968,613	3,945,535	5,318,736	12,669,179	13,397,088
Taxation	(846,962)	(1,137,303)	(1,830,575)	(4,258,935)	(4,345,041)
Profit for the year	1,121,651	2,808,232	3,488,161	8,410,244	9,052,047
Attributable to:-					
Equityholders of the Company	1,121,651	2,808,232	3,488,161	8,410,244	9,052,047
Earnings per share (cents)	36	90	112	270	291
Return on average equity (annualized)	3.90%	9.57%	12.64%	7.28%	7.99%
Return on assets (annualized)	0.77%	1.94%	2.57%	1.44%	1.67%
Productivity ratio	68.61%	55.66%	50.57%	61.89%	56.31%

Scotiabank

Consolidated Statement of Comprehensive Income
Year ended October 31, 2021

($ Thousands)	For the three months ended October 2021	July 2021	October 2020	For the year ended October 2021	October 2020
Profit for the year	1,121,651	2,808,232	3,488,161	8,410,244	9,052,047
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan/obligations	(2,615,630)	(5,871,716)	(3,163,745)	1,042,798	(16,843,301)
Taxation	871,876	1,957,239	1,054,583	(347,600)	5,614,435
	(1,743,754)	(3,914,477)	(2,109,162)	695,198	(11,228,866)
Items that may be subsequently reclassified to profit or loss:					
Unrealised (losses) / gains on investment securities	(1,218,424)	(120,809)	(222,401)	(2,058,859)	761,775
Realised (gains) / losses on investment securities	(2,178)	53,195	(359,315)	41,377	(778,361)
Foreign currency translation	1,004	3,424	(6,280)	32,091	11,698
Expected credit losses on investment securities	(1,440)	1,180	(25,232)	4,811	(56,784)
	(1,221,038)	(63,010)	(613,228)	(1,980,580)	(61,672)
Taxation	334,575	22,972	196,984	545,523	14,177
	(886,463)	(40,038)	(416,244)	(1,435,057)	(47,495)
Other comprehensive income, net of tax	(2,630,217)	(3,954,515)	(2,525,406)	(739,859)	(11,276,361)
Total comprehensive income for the year	(1,508,566)	(1,146,283)	962,755	7,670,385	(2,224,314)

Consolidated Statement of Financial Position
October 31, 2021

	October 31, 2021	Restated October 31, 2020	Restated October 31, 2019
($ Thousands)			
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	168,675,612	141,256,766	134,999,146
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	3,703,002	3,685,340	3,261,577
INVESTMENT SECURITIES	141,625,200	116,397,816	119,465,785
PLEDGED ASSETS	15,639,678	17,179,792	15,670,497
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	1,100,871	600,518
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	208,523,054	220,726,834	205,625,384
OTHER ASSETS			
Property, plant and equipment, including right of use assets	8,851,961	8,558,323	5,827,844
Deferred taxation	302,506	149,744	117,518
Taxation recoverable	2,262,233	2,675,632	2,932,659
Retirement benefit asset	31,254,250	28,242,497	43,704,650
Other assets	4,036,354	2,597,940	2,516,305
Intangible assets	570,421	668,093	785,655
	47,277,725	42,892,229	55,884,631
TOTAL ASSETS	**585,444,271**	**543,239,648**	**535,507,538**
LIABILITIES			
Deposits by the public	378,473,110	336,660,438	312,968,147
Amounts due to banks and other financial institutions	1,957,816	4,713,140	9,476,875
	380,430,926	341,373,578	322,445,022
OTHER LIABILITIES			
Capital management and government securities funds	18,808,108	19,157,775	20,291,757
Deferred taxation	7,761,915	7,037,160	13,082,092
Retirement benefit obligation	5,237,873	4,541,887	4,646,759
Other liabilities	13,737,092	15,073,998	11,787,789
	45,544,988	45,810,820	49,808,397
POLICYHOLDERS' LIABILITIES	45,865,307	45,299,616	45,140,043
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	45,891,770	45,891,770	45,891,770
Capital reserve	11,340	11,340	11,340
Loan loss reserve	334,797	220,791	2,304,057
Other reserves	9,964	9,964	9,964
Translation reserve	38,705	6,614	(5,084)
Cumulative remeasurement on investment securities	(609,675)	857,473	916,666
Unappropriated profits	58,106,363	53,937,896	59,165,577
	113,603,050	110,755,634	118,114,076
TOTAL EQUITY AND LIABILITIES	**585,444,271**	**543,239,648**	**535,507,538**

Director

Director

Consolidated Statement of Changes in Shareholders' Equity
as at October 31, 2021

($ 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 2019	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**916,666**	**2,304,057**	**9,964**	**(5,084)**	**59,165,577**	**118,114,076**
Net Profit	-	-	-	-	-	-	-	-	9,052,047	9,052,047
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	(11,228,866)	(11,228,866)
Foreign Currency Translation	-	-	-	-	-	-	-	11,698	-	11,698
Unrealised gains on investment securities, net of taxes	-	-	-	-	483,758	-	-	-	-	483,758
Realised gains on investment securities, net of taxes	-	-	-	-	(542,951)	-	-	-	-	(542,951)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(59,193)**	**-**	**-**	**11,698**	**(2,176,819)**	**(2,224,314)**
Transfers between reserves										
Transfer from Loan Loss Reserve	-	-	-	-	-	(2,083,266)	-	-	2,083,266	-
Dividends Paid	-	-	-	-	-	-	-	-	(5,134,128)	(5,134,128)
Balance as at 31 October 2020	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**857,473**	**220,791**	**9,964**	**6,614**	**53,937,896**	**110,755,634**
Balance as at 31 October 2020	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**857,473**	**220,791**	**9,964**	**6,614**	**53,937,896**	**110,755,634**
Net Profit	-	-	-	-	-	-	-	-	8,410,244	8,410,244
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	695,198	695,198
Foreign Currency Translation	-	-	-	-	-	-	-	32,091	-	32,091
Unrealised losses on investment securities, net of taxes and provisions	-	-	-	-	(1,494,525)	-	-	-	-	(1,494,525)
Realised losses on investment securities, net of taxes	-	-	-	-	27,377	-	-	-	-	27,377
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(1,467,148)**	**-**	**-**	**32,091**	**9,105,442**	**7,670,385**
Transfers between reserves										
Transfer to Loan Loss Reserve	-	-	-	-	-	114,006	-	-	(114,006)	-
Dividends Paid	-	-	-	-	-	-	-	-	(4,822,969)	(4,822,969)
Balance as at 31 October 2021	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(609,675)**	**334,797**	**9,964**	**38,705**	**58,106,363**	**113,603,050**

Condensed Statement of Consolidated Cash Flows
Year ended October 31, 2021

($ Thousands)	2021	2020
Cash flows provided by operating activities		
Profit for the period	8,410,244	9,052,047
Items not affecting cash:		
Depreciation and amortisation of right of use assets	930,146	952,515
Expected credit losses	3,649,249	6,470,352
Amortisation of intangible assets	97,672	117,562
Taxation	4,258,935	4,345,041
Net interest income	(22,711,489)	(24,857,604)
Gain on disposal of property	(6,505)	(3,083)
Increase in retirement benefit assets / obligations	(1,149,800)	(1,378,799)
Gain on extinquishment of debt	(953,779)	(1,177,215)
Write-off of fixed assets	18,163	-
	(7,457,164)	(6,479,184)
Changes in operating assets and liabilities		
Loans	7,512,832	(20,314,491)
Deposits	41,187,882	22,588,918
Policyholders reserve	565,692	159,573
Financial assets at fair value through profit and loss	(7,515)	(417,745)
Interest received	25,427,349	25,790,330
Interest paid	(1,557,161)	(2,394,409)
Taxation paid	(4,421,258)	(5,371,086)
Amounts with parent and fellow subsidiaries	(5,626,507)	(2,537,403)
Other	(5,848,504)	2,949,827
	49,775,646	13,974,330
Cash flows used in investing activities		
Investments and pledged assets	(26,148,866)	2,209,289
Lease payments on right of use asset	(204,821)	(200,109)
Purchase of property, plant, equipment and intangibles	(1,744,815)	(2,241,280)
Proceeds on sale of property, plant and equipment	6,505	3,455
	(28,091,997)	(228,645)
Cash flows used in financing activities		
Dividends paid	(4,822,969)	(5,134,128)
	(4,822,969)	(5,134,128)
Effect of exchange rate on cash and cash equivalents	5,057,398	3,432,427
Net change in cash and cash equivalents	21,918,078	12,043,984
Cash and cash equivalents at beginning of year	105,494,541	93,450,557
Cash and cash equivalents at end of year	**127,412,619**	**105,494,541**
Represented by :		
Cash resources, net of expected credit losses	168,675,612	141,256,766
Less statutory reserves at Bank of Jamaica	(31,639,786)	(28,679,603)
Less amounts due from other banks greater than ninety days	(9,131,331)	(8,562,221)
Expected credit losses on cash resources	1,991	2,272
Less accrued interest on cash resources	(20,629)	(4,255)
Pledged assets, investment securities and repurchase agreements assets less than ninety days	2,682,671	4,438,620
Cheques and other instruments in transit, net	(3,155,909)	(2,957,038)
Cash and cash equivalents at the end of the year	**127,412,619**	**105,494,541**

Scotiabank

Segmental Financial Information
October 31, 2021

($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	3,841,712	17,887,713	10,704,665	3,333,458	4,174,709	674,842	-	40,617,099
Revenues from other segments	(1,393,830)	279,052	954,682	211,423	(14,782)	-	(36,545)	-
Total revenues	2,447,882	18,166,765	11,659,347	3,544,881	4,159,927	674,842	(36,545)	40,617,099
Expenses	(670,674)	(17,128,047)	(7,144,839)	(1,554,083)	(1,395,798)	(40,637)	(13,842)	(27,947,920)
Profit before tax	1,777,208	1,038,718	4,514,508	1,990,798	2,764,129	634,205	(50,387)	12,669,179
Taxation								(4,258,935)
Profit for the period								**8,410,244**
Segment assets	227,235,904	140,983,282	92,342,024	30,560,080	59,605,328	23,027,363	(23,365,363)	550,388,618
Unallocated assets								35,055,653
Total assets								**585,444,271**
Net interest income								
Segment liabilities	-	210,149,858	184,034,764	20,447,632	46,314,506	15,188	(10,418,794)	450,543,154
Unallocated liabilities								21,298,067
Total liabilities								**471,841,221**
Other Segment items:								
Capital expenditure	-	1,098,196	637,741	8,878	-	-	-	1,744,815
Expected credit losses	20,578	2,927,698	(145,416)	4,406	1,973	-	-	2,809,239
Depreciation and amortisation	6,020	585,312	297,305	131,396	7,785	-	-	1,027,818

Scotiabank

Segmental Financial Information

October 31, 2020

($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	4,389,971	20,435,822	11,316,211	2,872,033	4,512,206	516,350	-	44,042,593
Revenues from other segments	(932,591)	(25,415)	846,654	371,354	(112,389)	-	(147,613)	-
Total revenues	3,457,380	20,410,407	12,162,865	3,243,387	4,399,817	516,350	(147,613)	44,042,593
Expenses	(558,078)	(19,762,209)	(7,641,909)	(1,372,911)	(1,244,290)	(116,210)	50,102	(30,645,505)
Profit before tax	2,899,302	648,198	4,520,956	1,870,476	3,155,527	400,140	(97,511)	13,397,088
Taxation								(4,345,041)
Profit for the period								**9,052,047**
Segment assets	180,801,164	140,076,126	97,042,487	39,044,158	59,212,736	24,691,214	(28,142,178)	512,725,707
Unallocated assets								30,513,941
Total assets								**543,239,648**
Net interest income								
Segment liabilities	-	188,565,747	162,640,808	29,251,277	45,963,939	1,418,550	(15,245,993)	412,594,328
Unallocated liabilities								19,889,686
Total liabilities								**432,484,014**
Other Segment items:								
Capital expenditure	-	922,263	1,307,058	8,386	3,573	-	-	2,241,280
Expected credit losses	(39,632)	5,832,486	103,920	(20,957)	(30,636)	-	-	5,845,181
Depreciation and amortisation	5,558	607,860	308,883	133,501	14,275	-	-	1,070,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2021

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 (Barbados) 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, 2020, which was prepared in accordance with International Financial Reporting Standards (IFRS).

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.

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.

Allowance for expected credit losses

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:

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.

The Bank revised its allowance for credit losses (ACL) methodology in Q1 2020, by adding an additional, pessimistic forward-looking scenario. Previously, the Bank determined its ACL using three probability-weighted forward-looking scenarios. The base case represents the most likely outcome and the other scenarios represent more optimistic and pessimistic outcomes, to which probabilities are assigned. The addition of this scenario resulted in an increase in ACL of $408 million (one-time impact) in Q1 2020.

5. Pledged Assets

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

($ Millions)	2021	2020
Capital Management and Government Securities funds	13,811	15,530
Securities with regulators, clearing houses and other financial institutions	1,829	1,830
	15,640	**17,180**

6. 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.

7. Property, plant and equipment including right of use assets

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

The Group recognizes a right of use asset and a lease liability at the commencement of the lease. The right of use asset is initially measured based on the present value of the lease payments.

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

9. 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.

9. **Employee benefits (continued)**

(i) **Defined Benefit Plan (continued)**

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 changes in the effect of the 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.

10. **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 and mortgages;
- 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.

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.

11. Prior year adjustment

The Group has determined that acceptances, guarantees and letters of credit have not met the requirement for recognition as an asset or as a liability. This has been corrected by restating each of the affected financial statement line items for prior periods. The expected credit losses on acceptances, guarantees and letters of credit are included in other liabilities as a provision. This prior period adjustment does not have an impact on the group's and company's statements of revenue and expenses, comprehensive income, changes in shareholders' equity and cash flows for the years ended October 31, 2020 and October 31, 2019. The following table summarizes the impact on the Group's and the Company's financial statements.

Statement of financial position

	October 2020			October 2019		
	As previously reported	Adjustments	As Restated	As previously reported	Adjustments	As Restated
Customers' liabilities under guarantees	13,041,700	(13,041,700)	-	13,494,138	(13,494,138)	-
Others	543,239,648	-	543,239,648	535,507,538	-	535,507,538
Total Assets	**556,281,348**	**(13,041,700)**	**543,239,648**	**549,001,676**	**(13,494,138)**	**535,507,538**
Guarantees issued	13,140,840	(13,140,840)	-	13,606,718	(13,606,718)	-
Others	432,384,874	99,140	432,484,014	417,280,882	112,580	417,393,462
Total Liabilities	445,525,714	(13,041,700)	432,484,014	430,887,600	(13,494,138)	417,393,462
Total Equity	110,755,634	-	110,755,634	118,114,076	-	118,114,076
Total Liabilities and Equity	**556,281,348**	**(13,041,700)**	**543,239,648**	**549,001,676**	**(13,494,138)**	**535,507,538**