MEDIA RELEASE

December 8, 2023

SCOTIA GROUP JAMAICA REPORTS FISCAL 2023 RESULTS

Scotia Group reports net income of $17.2 billion for the year ended October 31, 2023, representing an increase of $6.9 billion or 67% over the previous year. The Group's performance continues to be anchored by solid growth across all business lines, prudent risk management and efficient management of our operations. In keeping with our commitment to deliver shareholder value, the Board of Directors approved a dividend of 40 cents per stock unit in respect of the fourth quarter, which is payable on January 19, 2024, to stockholders on record as at December 28, 2023.

Commenting on the Group's results, President and CEO Audrey Tugwell Henry said "We are extremely proud to deliver a stellar year's performance to our shareholders. Our results can be attributed to the alignment and strong implementation of our strategic imperatives, which consisted of 2 main tenets -

- creating a winning team culture where our staff can be their best every day and
- maintaining an unrelenting commitment to helping customers achieve their financial goals.

The growth in the business has been significant and is underscored by the deliberate actions in every area of our business to be the preferred financial institution in Jamaica. We are committed to delivering a consistent best-in-class service, and relevant innovative financial solutions.

Group Financial Performance

Our strong performance for the year yielded a return on average equity of 15.15% versus 9.43% in the prior year, a marked improvement of 5.72%. Our asset base grew by $70.3 billion or 11.8% to $664.7 billion as at the end of the fiscal year and was underpinned by the excellent performance of our loan portfolio. Shareholders' equity available to common shareholders increased by $20.2 billion or 19.0% when compared to October 2022. We continue to maintain strong capital adequacy, exceeding regulatory capital requirements in all our business lines, and our strong capital position also enables us to capitalize on any growth opportunities which emerge in the market. The Group's expected credit losses for the year showed a reduction of $661.5 million or 21.6% when compared to the previous year. Credit quality remains very strong, and we are well provisioned for both our performing and non-performing loans. Our non-accrual loans as a percentage of gross loans was 1.64% and was lower than the prevailing industry average of 2.46% as at September 2023.

Business Line Performance

All business lines within the Group have made a strong contribution to the overall results as we offer customers a comprehensive suite of financial services. Our deposit book continues to grow as customers choose us to manage their finances. Total deposits grew by 12.7% when compared with the previous year while total loans increased by 14.6% year over year.

In our retail business, we continue to see significant growth in mortgages which increased by 25% when compared with prior year. This continued growth is indicative of the demand in the market, our competitive rates as well as our very streamlined mortgage process. Commercial banking also delivered outstanding results with commercial loans increasing over prior year by 12%. Our relationship managers have consistently delivered positive results by understanding the needs of our business customers and providing solutions to facilitate their growth and development.

As we continue to promote a balanced financial portfolio, our wealth and insurance businesses continue to offer real value to our customers. This year, we re-affirmed the importance of adequate protection through our insurance subsidiaries. Our life insurance arm - Scotia Jamaica Life Insurance Company reported an increase in net insurance revenues of 105% year over year. Key to their performance were product enhancements for flagship products such as ScotiaCriticare as well as our Approved Retirement Scheme, ScotiaBRIDGE. Our newest subsidiary, Scotia General Insurance Agency (ScotiaProtect), generated $400 million in annualized premiums in its first year of operation as customers positively responded to our strong value proposition.

Scotia Investments made a strong contribution to the Group's performance despite the challenging macro-economic conditions. Assets under Management increased by $11 billion or 6% year over year. Additionally, all Scotia Investments mutual and unit trust funds continue to deliver good returns to unitholders. Our stable NAV fund, the Scotia Premium Money Market Fund recorded a 1-year return of 7.3%, delivering returns exceeding the inflation rate (5.1%) for the 12-month period. Our Scotia Money Market US$ Fund also delivered returns of over 4% to unitholders over the last 12 months.

ESG Initiatives

As we strive to help our customers and the wider public to become financially successful, we coordinated various financial education initiatives during the quarter. In August, in commemoration of our 134th anniversary, we launched SME Compass - a 7-week programme geared towards helping business operators to better understand financial management and build their business acumen.

Scotia Group also hosted a free financial education seminar for public sector employees and teachers. This event was very well received, and we will continue to champion similar initiatives with the aim of empowering customers to grow their wealth.

We are also proud to report that the Scotiabank Women Initiative has performed extremely well and is making a real contribution to women led and owned businesses in Jamaica. To date over 600 women have benefitted from business coaching and mentorship sessions and over $1.3 billion has been deployed in preferential rate loans. This is a significant milestone and we are very proud to be helping these business operators to overcome the hurdles often faced by women in business.

As part of our social impact objectives, fifteen schools were assisted with Back-to-School activities during the quarter. School supplies and backpacks were distributed to hundreds of grade six students to ensure that they were well equipped ahead of the Primary Exit Profile examinations.

We are extremely proud of the work done over the past year and the excellence demonstrated by our dedicated team of Scotiabankers who have worked tirelessly to help our customers to attain their financial goals. I thank each one of them for their teamwork, professionalism and discretionary effort towards achieving our objectives. I must also thank our Board of Directors for the insightful guidance they have given us in navigating the market. Thanks as well to our shareholders for their commitment to the Scotia Group and our customers for choosing us to be their financial partner - for every future."

GROUP FINANCIAL PERFORMANCE

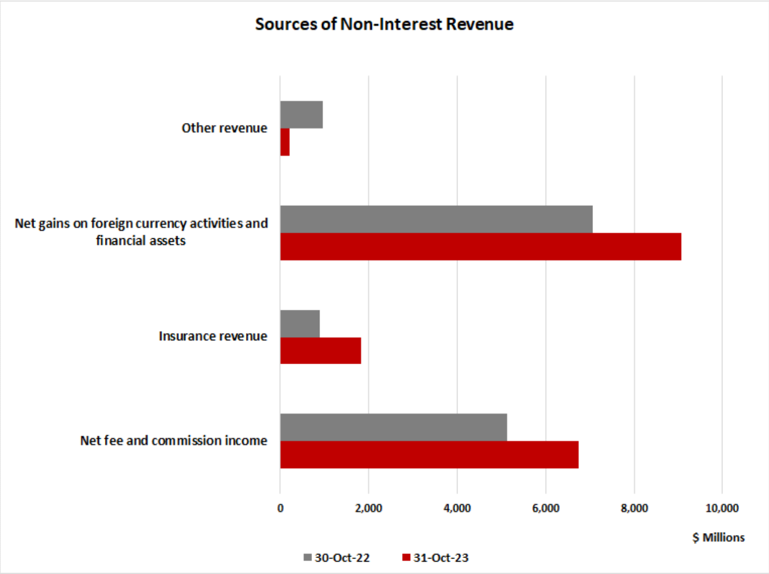
TOTAL REVENUES

Total revenues excluding expected credit losses for the year ended October 31, 2023, grew by $12.3 billion to $55.5 billion reflecting an increase of 28.6% over the previous year. This was primarily driven by an increase in net interest income of $8.8 billion stemming from the strong growth in our loan portfolio, higher insurance revenue, higher gains on foreign currency activities as well as higher fee and commission income earned given the significant increase in transaction volumes.

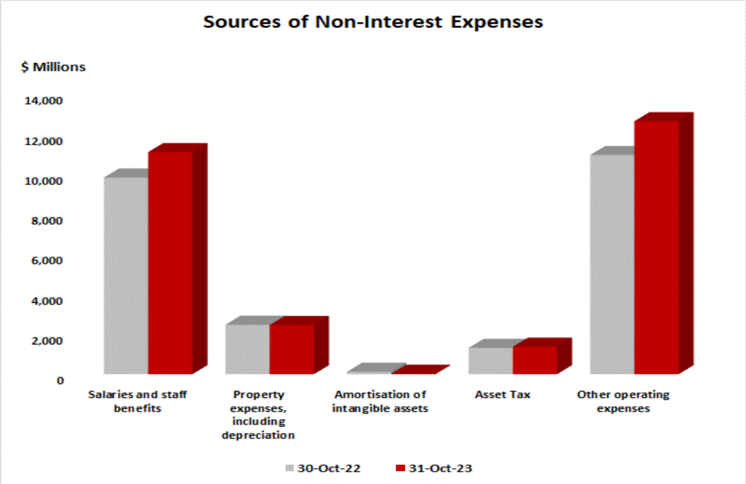
OTHER REVENUE

Other income, defined as all revenue other than interest income, increased by $3.8 billion or 27.1%.

- Net insurance revenue increased by $932.3 million or 105.4% from $884.7 million[1] to $1.8 billion driven by:
  - higher contractual service margin, expected claims and insurance expense releases based on the performance of the portfolio,
  - higher revenue generated from our Creditor Life portfolio given higher transaction volumes stemming from the further deepening of our customer relationships.
- Net fee and commission income for the period amounted to $6.7 billion, an increase of $1.6 billion or 31.3% given an increase in customer transactions and business activities.
- Net gains on foreign currency activities and financial assets amounted to $9.1 billion reflecting a year over year increase of $2 billion or 28.3%.



OPERATING EXPENSES



Operating expenses continue to be anchored by the Group's expense management initiatives and totaled $27.6 billion as at October 2023 reflecting an increase of $2.9 billion or 11.8% driven by higher technical support fees arising from the higher transaction volumes.

Note 1:

Based on the early adoption of IFRS 17, insurance revenue for the prior period was restated and reflected lower revenue by $2.2 Billion (previously reported – insurance revenue of $3.0 billion). See note 11 for details on the restatement.

CREDIT QUALITY

Expected credit losses showed a year over year reduction of $661.5 million or 21.6%. 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 non-performing loans.

Non-accrual loans (NALs) as at October 2023 totaled $4.5 billion compared to $4.0 billion as at October 2022. This represents an increase of $490 million or 12.2%. The Group's NALs represent 1.6% of gross loans when compared to October 2022 (1.7%) and 0.7% of total assets (October 2022 – 0.7%). Of note, the Group's NALs as a percentage of gross loans continue to be below the industry average. The Group's accumulated credit loss provisions (ACLs) for loans as at October 2023 was $5.6 billion, representing 124.9% coverage of total non-performing loans.

GROUP FINANCIAL CONDITION

ASSETS

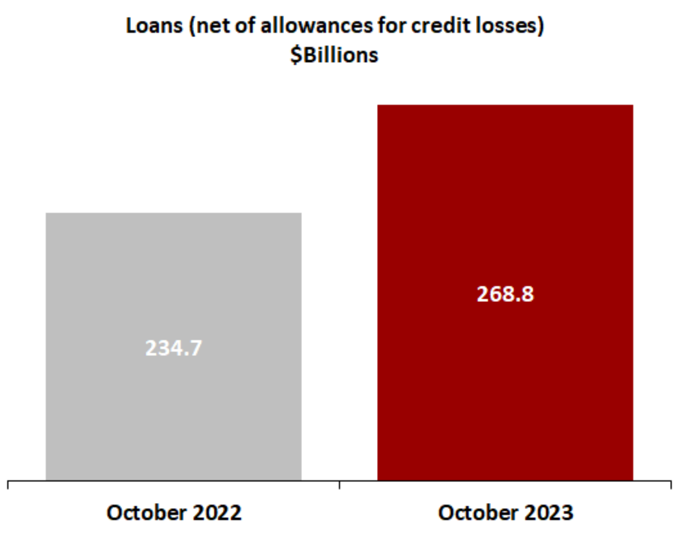
The Group's asset base grew by $70.3 billion or 11.8% to $664.7 billion as at October 2023. This was predominantly as a result of the significant growth in our loan portfolio of $34.2 billion or 14.6%; higher cash resources of $30.6 billion or 20.7%; an increase in investment securities of $8.3 billion or 5.4% and higher carrying value of the retirement benefit asset of $7.5 billion or 32%. This was partially offset by a reduction in pledged assets of $12.1 billion or 77.4%.

Cash Resources

Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $178.6 billion and reflected a year over year increase of $30.6 billion or 20.7%. The increase noted was primarily attributable to the growth in our core deposits. The Group maintains a strong liquidity position, which enables us to respond effectively to changes in our cash flow requirements.

Loans

Our loan portfolio increased by $34.2 billion or 14.6% compared to October 2022, with loans net of allowances for credit losses increasing to $268.8 billion. Our core loan book continues to perform well with mortgages increasing year over year by 25%, consumer loans by 9%, credit cards by 8% and commercial loans by 12%.

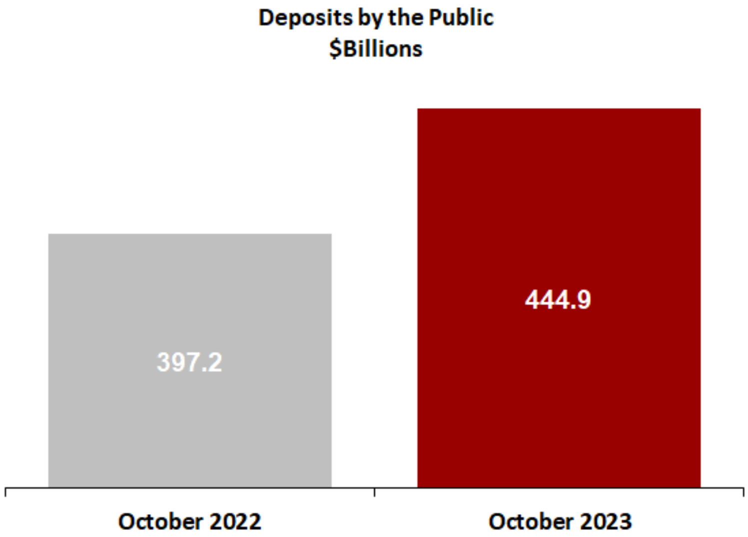


LIABILITIES

Total liabilities were $538.2 billion as at October 2023 and showed an increase of $50.1 billion or 10.3%. The increase noted was driven mainly by increased customer deposits.

Deposits

Deposits by the public increased to $444.9 billion. The $47.7 billion or 12% growth in core deposits was reflected in higher inflows from our retail and commercial customers, signaling our customers' continued confidence in the strength and safety of the Scotia Group.



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

Net obligations decreased by $14.1 billion or 100%. Our strategic focus continues to be geared towards growing our off-balance sheet business, namely, mutual funds and unit trusts. As at October 2023 our asset management portfolios showed an increase of $11 billion or 6% attributed to the growth in the net asset value of the Scotia Premium Short Term Income Fund JMD and Scotia Premium US$ Indexed Fund which were launched in the prior year.

Insurance Contract Liabilities/Segregated Funds

The Group has early adopted the new insurance standard IFRS 17. Consequently, insurance contract liabilities were restated and insurance contracts with direct participation features were brought on balance sheet. Insurance contract liabilities primarily relates to our flagship product ScotiaMint with a balance of $49.5 billion as at October 2023 and reflected a year over year increase of $44.9 million or 0.1%. Our segregated fund balance primarily relates to our Scotia Affirm product which continues to perform well, growing by $312.6 million or 32% year over year. The increase noted was attributable to improved market performance. In addition, we continue to advise Jamaicans of the importance of having insurance protection as part of their overall financial plan.

Other Liabilities

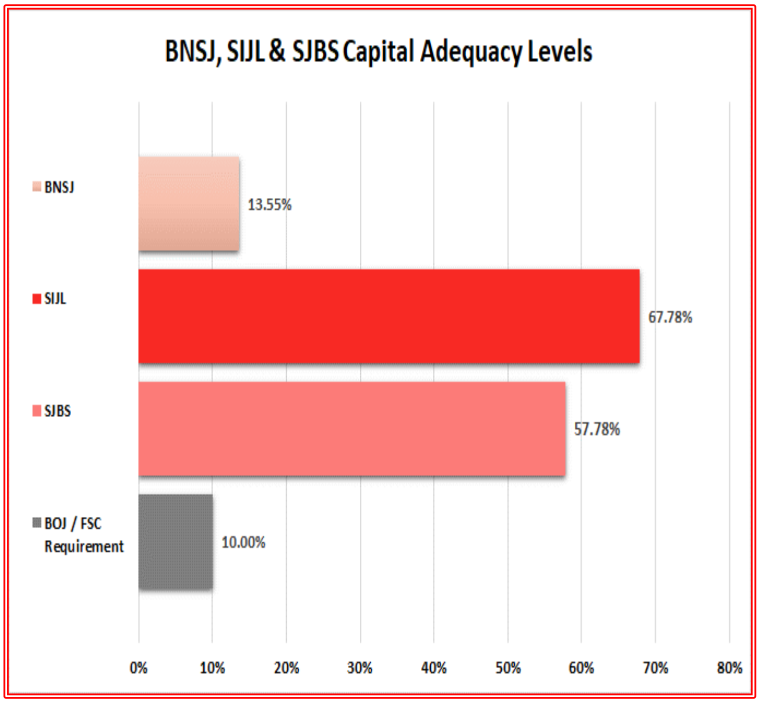
Other liabilities totaled $38.1 billion as at October 2023 and showed an increase of $13.3 billion or 53.6% over the prior year. The year over year increase was primarily attributable to an increase in amounts due to customers and clients of $9.6 billion driven by higher client trust and settlement account balances and higher deferred taxation given an increase in the retirement benefit asset.

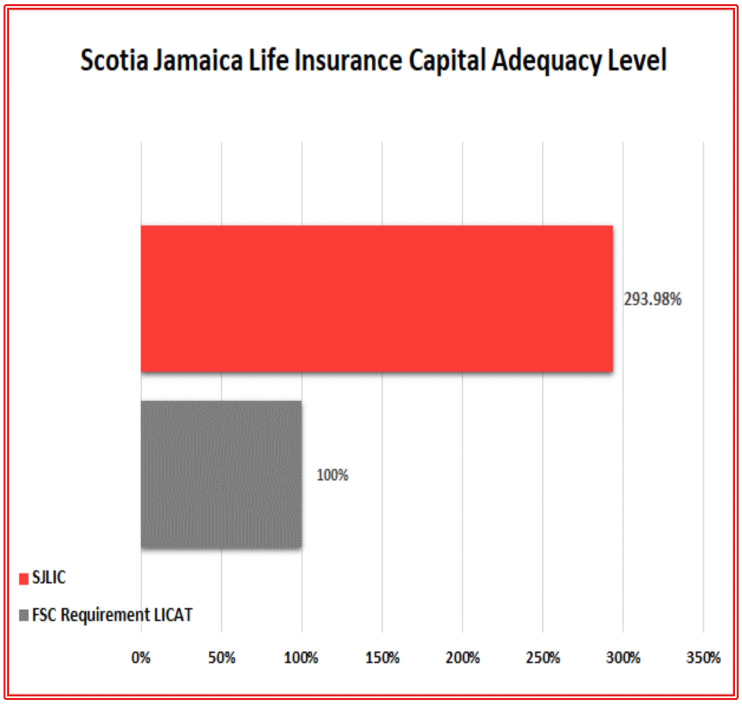
CAPITAL

Shareholders' equity available to common shareholders totaled $126.5 billion and reflected an increase of $20.2 billion or 19.0% when compared to October 2022. This was due primarily to the re-measurement of the defined benefit pension plan asset, lower fair value losses on the investment portfolio, recognition of the insurance finance reserve on adoption of IFRS 17, higher internally generated profits 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 requirements are shown below:





OUR COMMITMENT TO THE COMMUNITY

Denise Hewson, Assistant Branch Manager - Scotiabank Browns Town and Scotia Foundation Volunteer, hugs students of Servite Primary as they showcase their book vouchers courtesy of the Foundation.

During our final quarter, Scotiabank continued its focus on investment in youth through education.

The Scotiabank Jamaica Foundation mobilized a donation of approximately $10 million in book vouchers and school supplies to the incoming grade six cohort at 15 primary schools across the island. The beneficiary schools were: (1) Central Branch All Age (Kingston); (2) Calabar Infant and Primary School; (3) Independence City Primary (Portmore, St Catherine); (4) Boundbrook Primary (Portland); (5) Morant Bay Primary (St Thomas); (6) St George's Girls' School (Kingston); (7) Hall's Delight Primary (St Andrew); (8) Ballard Valley Primary (St Elizabeth); (9) New Green Primary (Manchester); (10) Christiana Leased Primary (Manchester); (11) Servite Primary (St Ann); (12) Steer Town Primary and Junior High (St Ann); (13) Negril Primary (Westmoreland); (14) Barrett Town Primary and Infant (St James); and (15) Hague Primary (Trelawny). The back-to-school tour coincided with celebrations for Scotiabank’s 134th anniversary.

The Scotia Foundation also renewed secondary scholarships for four high school students under its Shining Star scholarship programme ahead of the 2023/2024 academic year. Additionally, the Bank invested J$410,000 towards the education of scholars who received J$205,000 each to cover back-to-school expenses for the new school year.

Perrin Gayle (right), Executive Vice President Retail and SME Banking presents school supplies to Marlon Willington (second right) and his mother Shereen Johnson (second left). Sharing in the moment is Joset Lesley, Principal, Calabar Infant & Primary.

Derrick Palmer (right) Branch Manager, Scotiabank Portmore pauses for a photo with (from left) Shamara Kinlock, Shannon Martin and Anne Geddes Nelson, Principal of Independence City Primary.

Consolidated Statement of Revenue and Expenses
Year ended October 31, 2023

($ Thousands)	For the three months ended October 2023	July 2023	Restated October 2022	For the year ended October 2023	Restated October 2022
Interest income	11,593,904	10,252,127	9,500,607	40,836,714	31,203,842
Interest expense	(466,484)	(413,418)	(151,791)	(1,379,907)	(579,790)
Net interest income	11,127,420	9,838,709	9,348,816	39,456,807	30,624,052
Expected credit losses	(740,519)	(480,176)	(879,533)	(2,395,789)	(3,057,324)
Net interest income after expected credit losses	10,386,901	9,358,533	8,469,283	37,061,018	27,566,728
Finance expenses from insurance contracts	(721,383)	(494,759)	(402,839)	(1,828,708)	(1,527,058)
Finance expenses from reinsurance contracts	(24)	(75)	(25)	(131)	345
Total insurance finance expenses	(721,407)	(494,834)	(402,864)	(1,828,839)	(1,526,713)
Insurance revenue	961,378	593,105	1,015,863	2,788,585	1,874,808
Insurance service expenses	(652,947)	(114,738)	(644,158)	(971,419)	(989,847)
Net expenses from reinsurance contracts	117	(50)	(85)	(198)	(272)
Net insurance revenue	308,548	478,317	371,620	1,816,968	884,689
Net fee and commission income	901,204	1,962,814	454,171	6,737,674	5,131,326
Net gains on foreign currency activities	2,266,096	2,473,222	1,973,632	8,754,339	7,210,517
Net gains / (losses) on financial assets	37,540	51,760	(180,848)	312,510	(142,194)
Other revenue	29,596	6,982	8,053	214,706	950,666
	3,234,436	4,494,778	2,255,008	16,019,229	13,150,315
Total operating Income	13,208,478	13,836,794	10,693,047	53,068,376	40,075,019
Operating Expenses					
Salaries and staff benefits	3,242,857	2,640,676	2,689,354	11,109,963	9,836,785
Property expenses, including depreciation	626,918	644,525	700,268	2,459,221	2,474,898
Amortisation of intangible assets	(58,186)	27,345	51,433	24,874	119,654
Asset tax	-	(38,976)	-	1,375,620	1,316,085
Other operating expenses	2,992,017	3,115,842	2,489,251	12,658,527	10,961,850
	6,803,606	6,389,412	5,930,306	27,628,205	24,709,272
Profit before taxation	6,404,872	7,447,382	4,762,741	25,440,171	15,365,747
Taxation	(1,965,203)	(2,287,047)	(1,785,144)	(8,211,542)	(5,045,981)
Profit for the year	4,439,669	5,160,335	2,977,597	17,228,629	10,319,766
Attributable to:-					
Equityholders of the Company	4,439,669	5,160,335	2,977,597	17,228,629	10,319,766
Earnings per share (cents)	143	166	96	554	332
Return on average equity (annualized)	14.78%	18.50%	11.30%	15.15%	9.43%
Return on assets (annualized)	2.67%	3.19%	2.00%	2.59%	1.74%
Productivity ratio	48.77%	44.63%	51.24%	49.81%	57.29%

Consolidated Statement of Comprehensive Income
Year ended October 31, 2023

($ Thousands)	For the three months ended October 2023	July 2023	Restated October 2022	For the year ended October 2023	Restated October 2022
Profit for the year	4,439,669	5,160,335	2,977,597	17,228,629	10,319,766
Other comprehensive income / (loss):					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan/obligations	14,825,542	188,045	4,386,954	5,739,720	(8,463,456)
Taxation	(4,941,847)	(62,682)	(1,462,318)	(1,913,240)	2,821,152
	9,883,695	125,363	2,924,636	3,826,480	(5,642,304)
Items that may be subsequently reclassified to profit or loss:					
Unrealised gains / (losses) on investment securities	652,509	287,954	(2,278,843)	3,530,941	(7,013,781)
Realised losses on investment securities	11,279	92,333	44,399	112,505	86,101
Foreign currency translation	886	2,149	336	3,322	(3,770)
Finance income / (expense) from insurance contracts	289,267	30,408	(500,280)	870,016	(1,600,938)
Expected credit losses on investment securities	(8,329)	15,887	(85,651)	178,110	30,685
	945,612	428,731	(2,820,039)	4,694,894	(8,501,703)
Taxation	(278,543)	(91,926)	823,299	(1,364,090)	2,475,236
	667,069	336,805	(1,996,740)	3,330,804	(6,026,467)
Other comprehensive income / (loss), net of tax	10,550,764	462,168	927,896	7,157,284	(11,668,771)
Total comprehensive income / (loss) for the year	14,990,433	5,622,503	3,905,493	24,385,913	(1,349,005)

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Consolidated Statement of Financial Position
October 31, 2023

	October 31, 2023	Restated October 31, 2022	Restated October 31, 2021
($ Thousands)			
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	178,614,196	148,002,452	168,675,612
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,841,833	3,035,413	3,703,002
INVESTMENT SECURITIES	158,755,546	149,835,798	141,625,200
PLEDGED ASSETS	3,521,127	15,598,720	15,639,678
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	330,075	751,427	-
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	268,829,718	234,657,542	205,521,945
SEGREGATED FUND ASSETS	1,290,656	978,078	830,584
REINSURANCE CONTRACT ASSETS	1,356	1,218	1,181
INSURANCE CONTRACT ASSETS	14,469	131,195	6,182
OTHER ASSETS			
Property and equipment, including right of use assets	9,527,847	9,311,741	8,851,961
Deferred taxation	1,890,023	2,408,826	603,407
Taxation recoverable	3,098,152	2,591,341	2,982,872
Retirement benefit asset	31,094,511	23,561,041	31,254,250
Other assets	4,396,788	2,999,328	4,030,172
Intangible assets	530,665	552,036	570,421
	50,537,986	41,424,313	48,293,083
TOTAL ASSETS	**664,736,962**	**594,416,156**	**584,296,467**
LIABILITIES			
Deposits by the public	444,875,527	397,176,483	378,473,110
Amounts due to banks and other financial institutions	4,487,011	1,561,132	1,957,816
	449,362,538	398,737,615	380,430,926
OTHER LIABILITIES			
Capital management and government securities funds	-	14,128,403	18,808,108
Deferred taxation	6,839,089	3,501,883	7,508,730
Retirement benefit obligation	4,879,478	4,557,782	5,237,873
Due to Customers and Clients	10,561,400	950,606	273,366
Other liabilities	15,803,277	15,791,241	13,463,726
	38,083,244	38,929,915	45,291,803
INSURANCE CONTRACT LIABILITIES	49,450,309	49,405,428	45,672,796
REINSURANCE CONTRACT LIABILITIES	2,128	2,295	2,298
SEGREGATED FUND ASSETS	1,290,656	978,078	830,584
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	49,891,770	45,891,770	45,891,770
Capital reserve	11,340	11,340	11,340
Loan loss reserve	269,386	361,367	334,797
Other reserves	9,964	9,964	9,964
Insurance Finance Reserve	(548,190)	(1,200,703)	-
Translation reserve	38,257	34,935	38,705
Cumulative remeasurement on investment securities	(2,756,700)	(5,431,669)	(609,675)
Unappropriated profits	69,812,474	56,866,035	56,571,373
	126,548,087	106,362,825	112,068,060
TOTAL EQUITY AND LIABILITIES	**664,736,962**	**594,416,156**	**584,296,467**

Director

Director

Consolidated Statement of Changes in Shareholders' Equity
as at October 31, 2023

($ Thousands)	Share Capital	Reserve Fund	Retained Earnings Reserve	Capital Reserves	Cumulative Remeasurement on Investment Securities	Loan Loss Reserve	Other Reserves	Insurance Finance Reserve	Translation Reserve	Unappropriated Profits	Total
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**	**58,498,486**	**113,995,173**
Cumulative effect of adopting IFRS 17	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(485,834)**	**(485,834)**
Prior year adjustment	-	-	-	-	-	-	-	-	-	**(1,441,279)**	**(1,441,279)**
Balance as at 1 November 2021, as restated	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(609,675)**	**334,797**	**9,964**	**-**	**38,705**	**56,571,373**	**112,068,060**
Net Profit	-	-	-	-	-	-	-	-	-	10,319,766	10,319,766
Other Comprehensive Income											
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	(5,642,304)	(5,642,304)
Foreign currency translation	-	-	-	-	-	-	-	-	(3,770)	-	(3,770)
Unrealised losses on investment securities, net of taxes and provisions	-	-	-	-	(4,879,394)	-	-	-	-	-	(4,879,394)
Realised losses on investment securities, net of taxes	-	-	-	-	57,400	-	-	-	-	-	57,400
Finance expense on insurance contracts	-	-	-	-	-	-	-	(1,200,703)	-	-	(1,200,703)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(4,821,994)**	**-**	**-**	**(1,200,703)**	**(3,770)**	**4,677,462**	**(1,349,005)**
Transfers between reserves											
Transfer to loan loss reserve	-	-	-	-	-	26,570	-		-	(26,570)	-
Dividends paid	-	-	-	-	-	-	-	-	-	(4,356,230)	(4,356,230)
Balance as at 31 October 2022, as restated	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(5,431,669)**	**361,367**	**9,964**	**(1,200,703)**	**34,935**	**56,866,035**	**106,362,825**
Balance as at 31 October 2022, as restated	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(5,431,669)**	**361,367**	**9,964**	**(1,200,703)**	**34,935**	**56,866,035**	**106,362,825**
Net Profit	-	-	-	-	-	-	-	-	-	17,228,629	17,228,629
Other Comprehensive Income											
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	3,826,480	3,826,480
Foreign currency translation	-	-	-	-	-	-	-	-	3,322	-	3,322
Unrealised gains on investment securities, net of taxes and provisions	-	-	-	-	2,592,041	-	-	-	-	-	2,592,041
Realised losses on investment securities, net of taxes	-	-	-	-	82,928	-	-	-	-	-	82,928
Finance income on insurance contracts	-	-	-	-	-	-	-	652,513	-	-	652,513
Total Comprehensive Income	**-**	**-**	**-**	**-**	**2,674,969**	**-**	**-**	**652,513**	**3,322**	**21,055,109**	**24,385,913**
Transfers between reserves											
Transfer to retained earnings reserve	-	-	4,000,000	-	-	-	-	-	-	(4,000,000)	-
Transfer from loan loss reserve	-	-	-	-	-	(91,981)	-	-	-	91,981	-
Dividends paid	-	-	-	-	-	-	-	-	-	(4,200,651)	(4,200,651)
Balance as at 31 October 2023	**6,569,810**	**3,249,976**	**49,891,770**	**11,340**	**(2,756,700)**	**269,386**	**9,964**	**(548,190)**	**38,257**	**69,812,474**	**126,548,087**

Scotiabank

Condensed Statement of Consolidated Cash Flows
Year ended October 31, 2023

($ Thousands)	2023	Restated 2022
Cash flows provided by / (used in) operating activities		
Profit for the year	17,228,629	10,319,766
Items not affecting cash:		
Expected credit losses	3,311,567	4,499,285
Depreciation and amortisation of right of use assets	1,010,725	965,743
Amortisation of intangible assets	24,874	119,654
Taxation	8,211,542	5,045,981
Net interest income	(39,456,807)	(30,624,052)
Gain on disposal of property	(159,953)	(290,100)
Increase in retirement benefit assets / obligations	(1,317,140)	(1,287,628)
Gain on extinquishment of debt	-	(629,030)
Impairment of property and equipment	-	11,871
	(11,146,563)	(11,868,510)
Changes in operating assets and liabilities		
Loans	(37,353,114)	(33,645,327)
Deposits	33,561,010	14,034,127
Due to customers and clients	9,610,794	677,240
Insurance contracts	1,031,319	2,032,890
Financial assets at fair value through profit and loss	185,345	669,519
Interest received	40,689,899	30,972,940
Interest paid	(1,338,880)	(562,886)
Taxation paid	(7,368,358)	(2,479,445)
Amounts with parent and fellow subsidiaries	(1,682,289)	2,768,534
Other	(7,202,399)	(2,691,697)
	18,986,764	(92,615)
Cash flows provided by / (used in) investing activities		
Purchase of investment securities	(66,028,794)	(88,773,364)
Proceeds from maturities / sales of investment securities	72,191,827	72,070,581
Purchase of property, equipment and intangibles	(1,126,209)	(1,453,868)
Proceeds on sale of property and equipment	189,593	334,073
	5,226,417	(17,822,578)
Cash flows used in financing activities		
Dividends paid	(4,200,651)	(4,356,230)
Lease payments on right of use asset	(181,861)	(166,001)
	(4,382,512)	(4,522,231)
Effect of exchange rate on cash and cash equivalents	1,146,996	(2,114,037)
Net change in cash and cash equivalents	20,977,665	(24,551,461)
Cash and cash equivalents at beginning of year	102,861,158	127,412,619
Cash and cash equivalents at end of year	**123,838,823**	**102,861,158**
Represented by :		
Cash resources, net of expected credit losses	178,614,196	148,002,452
Less statutory reserves at Bank of Jamaica	(42,530,215)	(34,437,473)
Less amounts due from other banks greater than ninety days	(9,012,126)	(8,476,834)
Expected credit losses on cash resources	41,187	5,569
Less accrued interest on cash resources	(211,603)	(202,650)
Pledged assets, investment securities and repurchase agreements assets less than ninety days	330,000	1,516,900
Cheques and other instruments in transit, net	(3,392,616)	(3,546,806)
Cash and cash equivalents at the end of the year	**123,838,823**	**102,861,158**

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Segmental Financial Information

October 31, 2023

($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	12,678,047	20,726,781	14,218,489	3,087,308	4,205,575	547,965	-	55,464,165
Revenues from other segments	(8,332,020)	2,207,619	5,683,005	171,606	289,283	-	(19,493)	-
Total revenues	4,346,027	22,934,400	19,901,494	3,258,914	4,494,858	547,965	(19,493)	55,464,165
Expenses	(773,211)	(18,268,307)	(8,802,981)	(1,528,147)	(624,872)	(71,786)	45,310	(30,023,994)
Profit before tax	3,572,816	4,666,093	11,098,513	1,730,767	3,869,986	476,179	25,817	25,440,171
Taxation								(8,211,542)
Profit for the year								**17,228,629**
Segment assets	257,791,966	191,342,215	107,223,967	25,942,171	69,460,320	22,653,882	(45,534,605)	628,879,916
Unallocated assets								35,857,046
Total assets								**664,736,962**
Segment liabilities	-	244,182,141	235,136,403	15,380,403	50,965,663	111,468	(29,992,794)	515,783,284
Unallocated liabilities								22,405,591
Total liabilities								**538,188,875**
Other Segment items:								
Net interest income	2,059,974	19,331,860	12,452,022	888,761	4,270,475	423,503	30,212	39,456,807
Capital expenditure	-	362,713	753,836	8,505	1,155	-	-	1,126,209
Expected credit losses	7,107	2,071,627	208,042	9,635	99,378	-	-	2,395,789
Depreciation and amortisation	7,606	660,209	335,507	27,337	4,940	-	-	1,035,599

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Segmental Financial Information

October 31, 2022 (Restated)

($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	7,698,272	18,523,277	11,434,847	2,806,972	2,698,236	(29,261)	-	43,132,343
Revenues from other segments	(4,713,841)	1,082,677	3,417,952	209,757	11,969	-	(8,514)	-
Total revenues	2,984,431	19,605,954	14,852,799	3,016,729	2,710,205	(29,261)	(8,514)	43,132,343
Expenses	(935,854)	(17,044,885)	(7,555,199)	(1,540,801)	(590,174)	(57,136)	(42,547)	(27,766,596)
Profit before tax	2,048,577	2,561,069	7,297,600	1,475,928	2,120,031	(86,397)	(51,061)	15,365,747
Taxation								(5,045,981)
Profit for the year								**10,319,766**
Segment assets	224,971,268	165,175,232	96,046,243	25,718,097	64,447,363	22,264,401	(31,196,967)	567,425,637
Unallocated assets								26,990,519
Total assets								**594,416,156**
Segment liabilities	1,700,279	217,139,551	199,138,624	16,108,749	50,772,437	29,655	(15,694,338)	469,194,957
Unallocated liabilities								18,858,374
Total liabilities								**488,053,331**
Other Segment items:								
Net interest income	1,144,976	16,148,955	9,296,224	636,031	3,286,415	65,790	45,661	30,624,052
Capital expenditure	-	1,131,638	256,765	64,802	663	-	-	1,453,868
Expected credit losses	166,713	2,832,771	66,363	(27,366)	18,843	-	-	3,057,324
Depreciation and amortisation	7,424	630,769	320,719	121,634	4,851	-	-	1,085,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2023

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, 2023, 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.

5. Pledged Assets

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

($ Millions)	2023	2022
Capital Management and Government Securities funds	-	13,711
Securities with regulators, clearing houses and other financial institutions	3,521	1,888
	3,521	**15,599**

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 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 revenues and assets.

11. Prior year adjustments

Given the non-coterminous year-ends of the Bank of Nova Scotia Jamaica Limited and it's subsidiary Scotia Jamaica Life Insurance company, as well as the system requirements to maintain parallel reporting under IFRS 4 and IFRS 17, the Group has early adopted the new insurance standard IFRS 17 – 'Insurance Contracts'.

During the year, the Bank changed how it recognised its loan origination fees. Previously loan origination fees were recognized in the profit or loss under IFRS 15 as the services were provided. In keeping with IFRS 9, these fees are being deferred and amortised over the life of the loans.

The Group also reclassified BOJ Certificates of Deposits with original maturities greater than 90 days to investments which were inadvertently classified as cash resources.

The following tables summarize the impact on the Group's financial statements.

Statement of Financial Position	October 2022			October 2021		
($ Thousands)	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
ASSETS						
Cash Resources, net of Allowances	148,992,184	(989,732)	148,002,452	168,675,612	-	168,675,612
Financial Assets at Fair Value through Profit or Loss	3,035,413	-	3,035,413	3,703,002	-	3,703,002
Investment Securities	148,846,066	989,732	149,835,798	141,625,200	-	141,625,200
Pledged Assets	15,598,720	-	15,598,720	15,639,678	-	15,639,678
Government Securities Purchased under Resale Agreements	751,427	-	751,427	-	-	-
Loans, net of Allowances for Credit Losses	237,786,054	(3,128,512)	234,657,542	208,523,054	(3,001,109)	205,521,945
Segregated Fund Assets	-	978,078	978,078	-	830,584	830,584
Insurance Contract Assets	-	131,195	131,195	-	1,181	1,181
Reinsurance Contract Assets	-	1,218	1,218	-	6,182	6,182
Other Assets						
Taxation Recoverable	2,591,341	-	2,591,341	2,262,233	720,639	2,982,872
Other Assets	3,128,904	(129,576)	2,999,328	4,036,354	(6,182)	4,030,172
Property and Equipment	9,311,741	-	9,311,741	8,851,961	-	8,851,961
Intangible Assets	552,036	-	552,036	570,421	-	570,421
Retirement Benefit Asset	23,561,041	-	23,561,041	31,254,250	-	31,254,250
Deferred Taxation	1,443,296	965,530	2,408,826	441,444	161,963	603,407
	40,588,359	835,954	41,424,313	47,416,663	876,420	48,293,083
TOTAL ASSETS	**595,598,223**	**(1,182,067)**	**594,416,156**	**585,583,209**	**(1,286,742)**	**584,296,467**
LIABILITIES						
Deposits by Public	398,737,615	-	398,737,615	380,430,926	-	380,430,926
Other Liabilities	39,725,404	(795,489)	38,929,915	45,291,803	-	45,291,803
Insurance Contract Liabilities	46,284,431	3,120,997	49,405,428	45,865,307	(192,511)	45,672,796
Segregated Fund Liabilities	-	978,078	978,078	-	830,584	830,584
Reinsurance Contract Liabilities	-	2,295	2,295	-	2,298	2,298
Share Capital and Other Equity	50,697,493	-	50,697,493	55,496,687	-	55,496,687
Unappropriated Profits	60,153,280	(3,287,245)	56,866,035	58,498,486	(1,927,113)	56,571,373
Insurance Finance Reserve	-	(1,200,703)	(1,200,703)	-	-	-
TOTAL EQUITY AND LIABILITIES	**595,598,223**	**(1,182,067)**	**594,416,156**	**585,583,209**	**(1,286,742)**	**584,296,467**

11. Prior year adjustments (continued)

Statement of Revenue & Expenses	October 2022		
($ Thousands)	As previously reported	Adjustments	As restated
Interest Income	30,398,809	805,033	31,203,842
Interest Expense	(1,779,472)	1,199,682	(579,790)
Expected Credit Losses	(3,057,324)	-	(3,057,324)
Net Finance Expenses from Insurance Contracts	-	(1,527,058)	(1,527,058)
Net Finance Income or Expense from Reinsurance Contracts	-	(272)	(272)
Insurance Revenue	3,035,990	(1,161,182)	1,874,808
Insurance Service Expenses	-	(989,847)	(989,847)
Net income from reinsurance contracts	-	345	345
Net Fee and Commission Income	6,176,328	(1,045,002)	5,131,326
Net Gains on Foreign Currency Activities	7,210,517	-	7,210,517
Net Losses on Financial Assets	(141,278)	(916)	(142,194)
Other Revenue	950,666	-	950,666
TOTAL OPERATING INCOME	**42,794,236**	(2,719,217)	**40,075,019**
OPERATING EXPENSES			
Salaries and Staff Benefits	10,307,104	(470,319)	9,836,785
Property Expenses, including depreciation	2,510,371	(35,473)	2,474,898
Amortisation of Intangible Assets	119,654	-	119,654
Asset Tax	1,316,085	-	1,316,085
Other Operating Expenses	11,336,958	(375,108)	10,961,850
TOTAL OPERATING EXPENSES	**25,590,172**	(880,900)	**24,709,272**
PROFIT BEFORE TAXATION	**17,204,064**	(1,838,317)	**15,365,747**
Taxation	(5,524,166)	478,185	(5,045,981)
PROFIT FOR THE YEAR	**11,679,898**	(1,360,132)	**10,319,766**

Statement of Comprehensive Income

Items that will not be reclassified to profit and loss			
Remeasurement Of Defined Benefit Plans/Obligations net of taxes	(5,642,304)	-	(5,642,304)
Items that will be reclassified to profit and loss			
Unrealized Losses on Investment Securities	(7,013,781)	-	(7,013,781)
Realised Losses on Investment Securities	86,101	-	86,101
Foreign Currency Translation	(3,770)	-	(3,770)
Expected Credit Losses on Investment Securities	30,685	-	30,685
Insurance Finance Reserve	-	(1,600,938)	(1,600,938)
	(12,543,069)	(1,600,938)	(14,144,007)
Taxation	2,075,001	400,235	2,475,236
	(10,468,068)	**(1,200,703)**	**(11,668,771)**
OTHER COMPREHENSIVE INCOME, NET OF TAX	**1,211,830**	**(2,560,835)**	**(1,349,005)**