MEDIA RELEASE

June 9, 2021

SCOTIA GROUP JAMAICA REPORTS SECOND QUARTER OF FISCAL 2021 RESULTS

Scotia Group reports net income of $4.5 billion for the six months ended April 30, 2021 up $463 million or 11.5% compared to the corresponding period last year.

This was achieved as the Group continued to execute well on its Customer First strategy with increased collaboration among our business lines to meet the financial services needs of our customers.

Today, the Board of Directors approved an interim dividend of 35 cents per stock unit in respect of the second quarter, which is payable on July 21, 2021 to stockholders on record as at June 29, 2021.

Audrey Tugwell Henry, President and CEO of Scotia Group Jamaica noted "We are proud to report an increase in net profit for the six months period of 11.5% notwithstanding the very challenging macroeconomic circumstances. In our 131 year history, the Bank has supported Jamaicans through many arduous periods and has an unmatched legacy of delivering value and providing the right solutions to our customers. The Group maintains a very strong capital base, adequate liquidity levels and remains a financial fortress in the local industry.

Our customers continue to place their trust in us and this was demonstrated by the 11% growth in our deposit portfolio. Of note, Assets Under Management increased by 8% y/y signaling continued confidence in the Group.

Other noteworthy highlights within the Group's performance included another quarter of solid growth in mortgages with an 11% increase y/y. We have maintained several quarters of consistent growth in our mortgage portfolio, even during the heights of economic fallout due to the COVID-19 pandemic. This is a function of market demand as well as our attractive rates and simplified processes. We continue to prioritize this portfolio as home ownership remains one of our customers' top financial goals.

During the quarter, we continued to build momentum in our Capital Markets business recently acting as Lead Arranger and Co-Broker to successfully raise J$3 billion by way of a Private Bond Placement for a major client. This deal marks our continued commitment to deliver unique value for our clients that is both meaningful and sustainable. We see tremendous opportunities in this area by providing solutions that will create capacity for reinvestment and growth as the economy begins to recover.

Our insurance arm, Scotia Jamaica Life Insurance Co. Ltd. increased gross premiums written by 8% y/y, as we help customers to plan for the future. Insurance is an important area of focus for the business as the market remains highly under-insured and one of the lessons the pandemic has underscored is the need for protection against unforeseen circumstances.

Financial Highlights

	April 2021 Billions	April 2020 Billions
Net profit	$4.5	$4.0
Total Assets	$573.5	$539.0
Equity	$118.4	$112.4
Deposits	$359.6	$324.4
Earnings per share	$1.44	$1.29
Return on Equity	7.8%	6.9%
Productivity	62.1%	59.9%

The Group continued to advance its Customer First strategy which is underpinned by investments in technology to improve customer experience. We continued to enhance our digital offering with upgrades to online and mobile channels to make everyday banking more convenient and safer for customers. Customers continue to embrace our award winning digital platforms which offer the benefit of convenience and safety in light of the pandemic. Branch transactions now represent just 4.6% of total transactions processed, while electronic channels account for 95.4%. One significant new feature introduced within the quarter was our online account opening process which was launched in mid-March. Existing personal banking customers can now open an additional bank account in under 5 minutes using online or mobile banking platforms - with no need to visit a branch. Close to 15,000 customers have opened new accounts using one of our online channels since the launch.

Scotiabank Vision Achiever, our transformational business coaching programme offered in collaboration with internationally renowned business coaches, Action Coach was launched in March. Now in its 10th year, this 17 week programme continues to deliver exceptional value for participants. Approximately 275 business customers have completed the course over the life of the programme and through it, the Bank has invested over $30 million in support of the growth and development of our SME sector. The course was modified last year to a virtual format and incorporates strategies to assist businesses to withstand the financial impact of the pandemic.

As we strive to be the Bank for every future, we have placed even greater emphasis on financial education and leveraging the expertise of our team to assist customers in managing their finances. Several, free online seminars were hosted in Q2 covering topical matters including; home ownership, retirement planning, investment planning and growth opportunities in the business landscape.

We continue to cultivate a high-performance team and invest in our staff. Scotia LinkedIn Learning and Scotia Academy are two platforms which staff members can access for ongoing personal and career development. Various employee wellness initiatives have also been introduced to ensure that we support our very dedicated team who give of their best to assist our customers daily.

In Q3, we will continue our Customer First focus by making further enhancements to improve customer experience, engagement and support. Further upgrades will be made to our current network of 279 ABMs, and additional intelligent deposit machines will be deployed over the next few months. Digital banking will continue to be at the forefront of our business as technology continues to redefine the status quo. We are optimistic as the economy continues to show signs of recovery and stand ready to support our customers as they rebound and pursue new growth opportunities.

As we close a successful first half of the year, I would like to thank our customers for their continued trust in the Group. This is due to the excellent service delivered by our dedicated team of Scotiabankers which I am proud to lead. I would like to thank our Board of Directors for their guidance during these unprecedented times and I would like to thank our shareholders and staff for their commitment and confidence.”

GROUP FINANCIAL PERFORMANCE

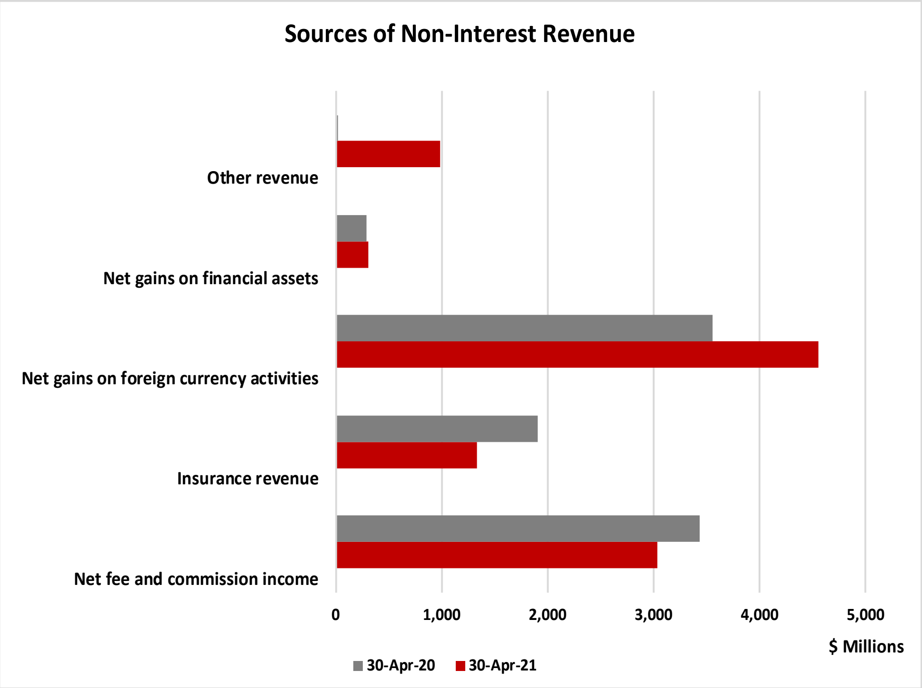
TOTAL REVENUES

Total revenues net of expected credit losses for the six months ended April 30, 2021 was $21.5 billion, which was marginally lower than the corresponding period by $163 million or 0.8%.

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 for the six-month period was $9.9 billion up $83 million or 0.8% when compared to the corresponding period last year and was primarily attributable to the reduction in expected credit losses of $1.3 billion. 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 increased by $1.0 billion or 11%.

- Net fee and commission income amounted to $3.0 billion and showed a reduction of $396 million or 11.5%. The year over year decline noted in fee and commission revenues 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 $577 million or 30.3% to $1.3 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 $4.9 billion, representing an increase of $1.0 billion or 26.6% given higher trading volumes and revaluation gains.
- Other revenue increased by $970 million (over 100%) when compared to the prior period and was attributable to gains realized on the extinguishment of debt facilities.

CREDIT QUALITY

Expected credit losses for the year showed a reduction of $1.3 billion when compared to 2020. The higher credit losses reflected in the prior period 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 with accumulated credit losses (ACLs) for both our performing and non-performing loans, ensuring adequate coverage for possible future net write offs.

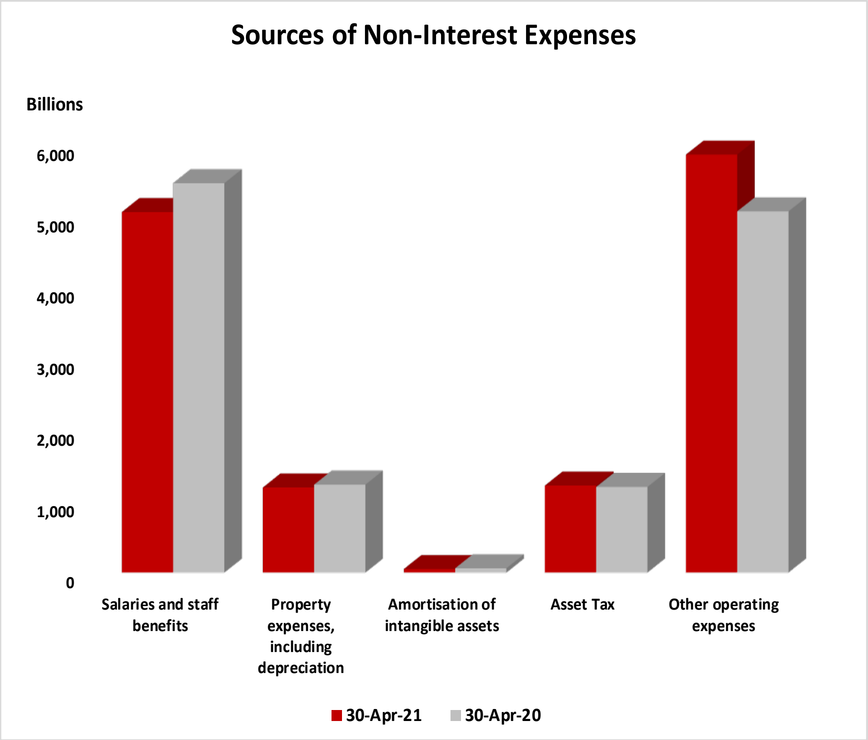
Non-accrual loans (NALs) as at April 30, 2021 totaled $6.1 billion compared to $5.0 billion for the corresponding period. The Group's NALs represent 2.8% of gross loans up from 2.2% as at April 2020 and represent 1.1% of total assets. The Group's aggregate expected credit losses for loans as at April 30, 2021 was $6.3 billion, representing 103.8% coverage of total non-performing loans.

OPERATING EXPENSES AND PRODUCTIVITY

Operating expenses amounted to $13.4 billion for the period and reflected an increase of $361 million or 2.8%. This was primarily attributable to an increase in other operating expenses of $795 million which was partially offset by the reduction in salaries and staff benefit costs of $404 million (due to continued expense management initiatives despite restructuring provisions recorded). The increase noted in other operating expenses was due to provisions for non-salary related restructuring and other technology expenses. Excluding restructuring and other one-off expenses, operating expenses would be $245 million or 1.9% lower than Q2 2020.

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

Our productivity ratio for the period was 62.1% compared to 59.9% recorded for the prior year comparative period.



GROUP FINANCIAL CONDITION

ASSETS

The Group's asset base increased over the prior period by $34.5 billion to $573.5 billion as at April 30, 2021. This was predominantly as a result of the growth in our cash resources of $43.8 billion or 47.7% which was partially offset by the reduction in our loan portfolio ($8.4 billion or 3.8%) and other assets of $801 million or 1.4%.

Cash Resources

Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $135.8 billion, increasing over the comparative period by $43.8 billion or 47.7%. 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 totaled $166.7 billion and remained flat when compared to the corresponding period (April 2020 - $166.8 billion).

Loans

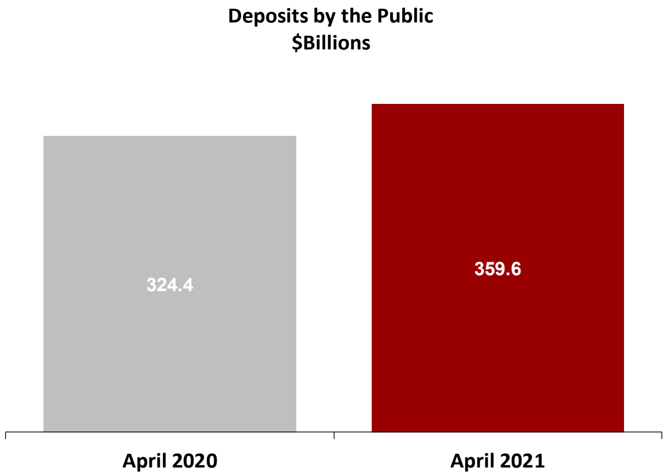
Our loan portfolio showed a reduction by $8.4 billion or 3.8 % over the prior period, with loans after allowances for credit losses reducing to $214.7 billion. Loan repayments coupled with lower transaction volumes in light of the global pandemic accounted for the year over year movement.

LIABILITIES

Total liabilities were $455.1 billion as at April 30, 2021 and showed an increase over the comparative period of $28.5 billion or 6.7%. The increase noted was driven mainly by increased customer deposits, other liabilities, deferred taxation as well as a higher retirement benefit obligation which was partially offset by the reduction in capital management fund balances.

Deposits

Deposits by the public increased to $359.6 billion, up from $324.4 billion when compared to the corresponding period. This $35.2 billion or 10.8% 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

Net obligations decreased by $2.5 billion or 12.4% over the prior period. Our strategic focus continues to be geared towards growing our off-balance sheet business, namely, mutual funds and unit trusts. As at April 2021 our asset management portfolios grew by $13.5 billion or 7.8% 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 $45.5 billion as at April 2021 compared to $44.9 billion as at April 2020. Our Scotia Affirm product launched in 2014 has performed well, growing 30.2% year over year with a current net asset value of $1.0 billion. The increase noted was attributable to our strong sales effort coupled with the improved performance of the stock market.

Other Liabilities

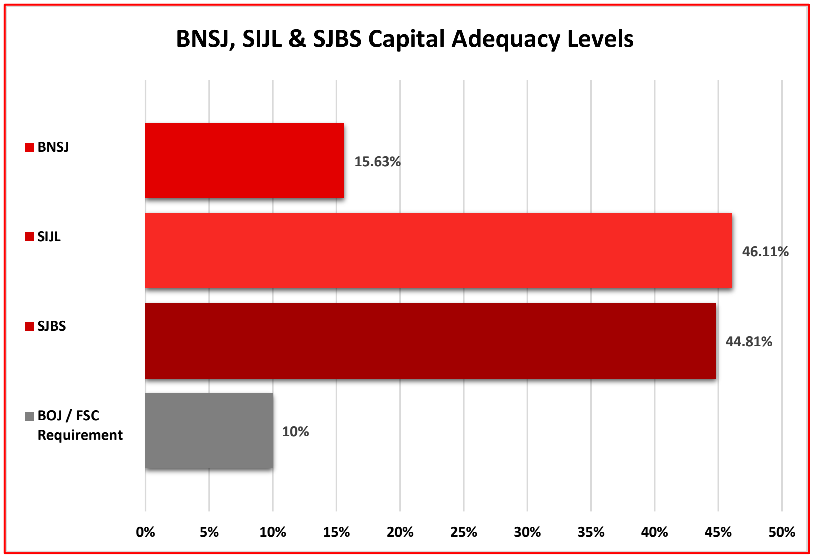
Other liabilities showed an increase of $3.3 billion or 12.1% over the comparative period and totaled $31.1 billion as at April 2021. This was attributable to the increase in other liabilities of $1.8 billion or 13.5% given accrued restructuring and operating expenses, increase in deferred taxation of $795 million or 8.0% due to the change in the retirement benefit asset, as well as an increase in the retirement benefit obligation of $798 million or 16.6% given the revised assumptions used in the actuarial valuation.

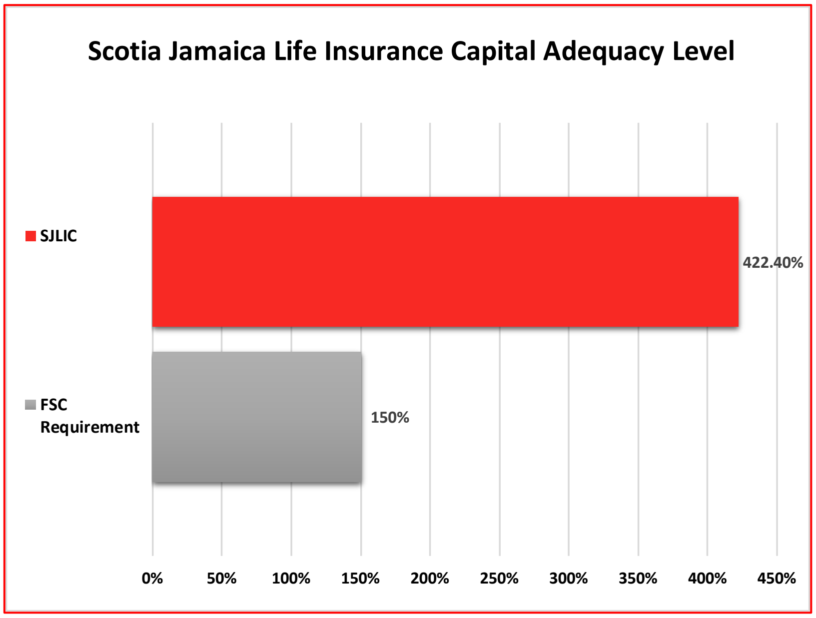
CAPITAL

Shareholders' equity available to common shareholders increased by $6.0 billion or 5.4% over the comparative period to $118.4 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

Scotia Rise

As the Bank commences a new phase of its corporate social responsibility journey under a new global philanthropic umbrella dubbed 'Scotia Rise' –a donation of $2 million was made to the Women's Centre Foundation of Jamaica (WCFJ) for the purchase of 66 tablets for students of the Centre which provides continuing education for adolescent mothers.

The donation will support the Centre's ongoing efforts to provide remote learning opportunities for its students, many of whom have been disenfranchised due to the COVID-19 pandemic.

Under 'Scotia Rise', future support will be directed to support economic resilience among disadvantaged groups focusing primarily on assisting students to complete high school and pursue post-secondary education. The issue of gender-based violence affecting women will also be addressed by the Bank.

COVID-19

During the period, the Bank continued to provide support for the fight against COVID-19 through UNICEF's COVID-19 vaccination roll out and preparedness programmes across 4 territories in the Caribbean – Jamaica, Barbados, Dominican Republic and Trinidad & Tobago with a contribution of CAD$250,000.

Consolidated Statement of Revenue and Expenses
Period ended April 30, 2021

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	April 2021	January 2021	April 2020	April 2021	April 2020
Interest income	5,943,581	6,307,886	6,919,857	12,251,467	13,714,798
Interest expense	(436,474)	(512,443)	(605,421)	(948,917)	(1,233,342)
Net interest income	5,507,107	5,795,443	6,314,436	11,302,550	12,481,456
Expected credit losses	(975,593)	(430,162)	(1,772,901)	(1,405,755)	(2,667,770)
Net interest income after expected credit losses	4,531,514	5,365,281	4,541,535	9,896,795	9,813,686
Net fee and commission income	1,362,860	1,674,935	1,420,429	3,037,795	3,434,097
Insurance revenue	694,422	634,181	848,547	1,328,603	1,905,770
Net gains on foreign currency activities	2,558,438	1,995,601	1,840,418	4,554,039	3,551,560
Net gains on financial assets	143,658	164,114	174,887	307,772	290,145
Other revenue	16,110	972,520	9,427	988,630	18,928
	4,775,488	5,441,351	4,293,708	10,216,839	9,200,500
Total Operating Income	9,307,002	10,806,632	8,835,243	20,113,634	19,014,186
Operating Expenses					
Salaries and staff benefits	2,487,996	2,560,210	2,696,650	5,048,206	5,452,429
Property expenses, including depreciation	600,974	589,843	670,061	1,190,817	1,230,909
Amortisation of intangible assets	24,483	24,498	29,333	48,981	58,718
Asset tax	(44,861)	1,262,644	(41,824)	1,217,783	1,197,510
Other operating expenses	2,519,004	3,333,812	2,527,767	5,852,816	5,057,557
	5,587,596	7,771,007	5,881,987	13,358,603	12,997,123
Profit before taxation	3,719,406	3,035,625	2,953,256	6,755,031	6,017,063
Taxation	(989,572)	(1,285,098)	(719,339)	(2,274,670)	(1,999,435)
Profit for the period	2,729,834	1,750,527	2,233,917	4,480,361	4,017,628
Attributable to:-					
Equityholders of the Company	2,729,834	1,750,527	2,233,917	4,480,361	4,017,628
Earnings per share (cents)	88	56	72	144	129
Return on average equity (annualized)	9.39%	6.23%	7.70%	7.83%	6.88%
Return on assets (annualized)	1.90%	1.27%	1.66%	1.56%	1.49%
Productivity ratio	54.34%	69.16%	55.45%	62.08%	59.94%

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Consolidated Statement of Comprehensive Income
Period ended April 30, 2021

	For the three months ended			For the year ended	
Unaudited ($ Thousands)	April 2021	January 2021	April 2020	April 2021	April 2020
Profit for the period	2,729,834	1,750,527	2,233,917	4,480,361	4,017,628
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan/obligations	4,869,285	4,660,859	(11,353,727)	9,530,144	(9,167,589)
Taxation	(1,623,096)	(1,553,619)	3,784,576	(3,176,715)	3,055,863
	3,246,189	3,107,240	(7,569,151)	6,353,429	(6,111,726)
Items that may be subsequently reclassified to profit or loss:					
Unrealised (losses) / gains on investment securities	(596,951)	(122,675)	48,930	(719,626)	186,668
Realised (gains) / losses on investment securities	(23,156)	13,516	(420,442)	(9,640)	(419,046)
Foreign currency translation	17,082	10,581	4,909	27,663	6,543
Expected credit losses on investment securities	881	4,191	13,537	5,072	(26,714)
	(602,144)	(94,387)	(353,066)	(696,531)	(252,549)
Taxation	151,556	36,420	101,451	187,976	66,888
	(450,588)	(57,967)	(251,615)	(508,555)	(185,661)
Other comprehensive income, net of tax	2,795,601	3,049,273	(7,820,766)	5,844,874	(6,297,387)
Total comprehensive income for the period	5,525,435	4,799,800	(5,586,849)	10,325,235	(2,279,759)

Consolidated Statement of Financial Position
April 30, 2021

Unaudited	April 30, 2021	Restated October 31, 2020	Restated April 30, 2020
($ Thousands)			
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	135,800,229	141,256,766	91,960,201
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	4,709,384	3,685,340	3,602,654
INVESTMENT SECURITIES	145,307,586	116,397,816	145,069,758
PLEDGED ASSETS	15,700,755	17,179,792	18,116,248
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	1,001,115	1,100,871	-
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	214,685,503	220,726,834	223,106,088
OTHER ASSETS			
Property, plant and equipment, including right of use assets	8,272,829	8,558,323	7,339,895
Deferred taxation	132,206	149,744	364,861
Taxation recoverable	3,113,452	2,675,632	2,633,049
Retirement benefit asset	39,484,592	28,242,497	35,454,014
Other assets	4,687,940	2,597,940	10,592,338
Intangible assets	619,108	668,093	726,937
	56,310,127	42,892,229	57,111,094
TOTAL ASSETS	**573,514,699**	**543,239,648**	**538,966,043**
LIABILITIES			
Deposits by the public	359,567,154	336,660,438	324,391,260
Amounts due to banks and other financial institutions	1,431,640	4,713,140	9,513,485
	360,998,794	341,373,578	333,904,745
OTHER LIABILITIES			
Capital management and government securities funds	17,489,778	19,157,775	19,969,303
Deferred taxation	10,691,889	7,037,160	9,897,342
Retirement benefit obligation	5,614,379	4,541,887	4,816,506
Other liabilities	14,789,106	15,073,998	13,031,650
	48,585,152	45,810,820	47,714,801
POLICYHOLDERS' LIABILITIES	45,494,738	45,299,616	44,934,932
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	44,891,770
Capital reserve	11,340	11,340	11,340
Loan loss reserve	(10,933)	220,791	200,946
Other reserves	9,964	9,964	9,964
Translation reserve	33,351	6,614	1,459
Cumulative remeasurement on investment securities	321,255	857,473	724,462
Unappropriated profits	62,359,482	53,937,896	56,751,838
	118,436,015	110,755,634	112,411,565
TOTAL EQUITY AND LIABILITIES	**573,514,699**	**543,239,648**	**538,966,043**

Director

Director

Consolidated Statement of Changes in Shareholders' Equity
as at April 30, 2021

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 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	-	-	-	-	-	-	-	-	4,017,628	4,017,628
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	(6,111,726)	(6,111,726)
Foreign Currency Translation	-	-	-	-	-	-	-	6,543	-	6,543
Unrealised gains on investment securities, net of taxes	-	-	-	-	112,552	-	-	-	-	112,552
Realised gains on investment securities, net of taxes	-	-	-	-	(304,756)	-	-	-	-	(304,756)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(192,204)**	**-**	**-**	**6,543**	**(2,094,098)**	**(2,279,759)**
Transfers between reserves										
Transfer from Retained Earnings Reserve	-	-	(1,000,000)	-	-	-	-	-	1,000,000	-
Transfer from Loan Loss Reserve	-	-	-	-	-	(2,103,111)	-	-	2,103,111	-
Dividends Paid	-	-	-	-	-	-	-	-	(3,422,752)	(3,422,752)
Balance as at 30 April 2020	**6,569,810**	**3,249,976**	**44,891,770**	**11,340**	**724,462**	**200,946**	**9,964**	**1,459**	**56,751,838**	**112,411,565**
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	-	-	-	-	-	-	-	-	4,480,361	4,480,361
Other Comprehensive Income										
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	-	6,353,429	6,353,429
Foreign Currency Translation	-	-	-	-	-	-	-	26,737	926	27,663
Unrealised losses on investment securities, net of taxes and provisions	-	-	-	-	(519,459)	-	-	-	-	(519,459)
Realised gains on investment securities, net of taxes	-	-	-	-	(16,759)	-	-	-	-	(16,759)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(536,218)**	**-**	**-**	**26,737**	**10,834,716**	**10,325,235**
Transfers between reserves										
Transfer from Loan Loss Reserve	-	-	-	-	-	(231,724)	-	-	231,724	-
Dividends Paid	-	-	-	-	-	-	-	-	(2,644,854)	(2,644,854)
Balance as at 30 April 2021	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**321,255**	**(10,933)**	**9,964**	**33,351**	**62,359,482**	**118,436,015**

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Condensed Statement of Consolidated Cash Flows
Period ended April 30, 2021

Unaudited ($ Thousands)	2020	2019
Cash flows provided by / (used in) operating activities		
Profit for the period	4,480,361	4,017,628
Items not affecting cash:		
Depreciation and amortisation of right of use assets	516,927	531,462
Expected credit losses	1,692,642	2,987,168
Amortisation of intangible assets	48,981	58,717
Taxation	2,274,670	1,999,435
Net interest income	(11,302,550)	(12,481,456)
Gain on disposal of property	(1,607)	(190)
Gain on extinquishment of debt	(953,779)	-
	(3,244,355)	(2,887,236)
Changes in operating assets and liabilities		
Loans	3,683,578	(20,015,279)
Deposits	21,246,090	11,110,936
Policyholders reserve	195,122	(205,111)
Financial assets at fair value through profit and loss	(999,737)	(336,215)
Interest received	12,657,441	13,135,170
Interest paid	(953,766)	(1,238,910)
Taxation paid	(1,889,504)	(2,764,295)
Amounts with parent and fellow subsidiaries	(4,512,085)	54,731
Other	(6,343,360)	(9,352,648)
	19,839,424	(12,498,857)
Cash flows used in investing activities		
Investments and pledged assets	(29,948,270)	(26,926,570)
Lease payments on right of use asset	(99,927)	(97,126)
Purchase of property, plant, equipment and intangibles	(721,509)	(646,999)
Proceeds on sale of property, plant and equipment	1,607	505
	(30,768,099)	(27,670,190)
Cash flows used in financing activities		
Dividends paid	(2,644,854)	(3,422,752)
	(2,644,854)	(3,422,752)
Effect of exchange rate on cash and cash equivalents	4,027,303	1,015,446
Net change in cash and cash equivalents	(9,546,226)	(42,576,353)
Cash and cash equivalents at beginning of year	105,494,541	93,450,557
Cash and cash equivalents at end of period	**95,948,315**	**50,874,204**
Represented by :		
Cash resources, net of expected credit losses	135,800,229	91,960,201
Less statutory reserves at Bank of Jamaica	(29,685,064)	(33,536,949)
Less amounts due from other banks greater than ninety days	(9,047,004)	(8,386,982)
Expected credit losses on cash resources	1,352	3,254
Less accrued interest on cash resources	(2,128)	(11,262)
Pledged assets, investment securities and repurchase agreements assets less than ninety da	2,379,499	4,052,383
Cheques and other instruments in transit, net	(3,498,569)	(3,206,441)
Cash and cash equivalents at the end of the period	**95,948,315**	**50,874,204**

Segmental Financial Information

April 30, 2021

Unaudited ($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	1,978,179	9,484,887	5,686,070	1,731,796	2,052,002	586,455	-	21,519,389
Revenues from other segments	(596,033)	76,611	386,811	161,331	15,111	-	(43,831)	-
Total revenues	1,382,146	9,561,498	6,072,881	1,893,127	2,067,113	586,455	(43,831)	21,519,389
Expenses	(549,625)	(9,024,918)	(3,896,958)	(588,125)	(718,047)	(8,075)	21,390	(14,764,358)
Profit before tax	832,521	536,580	2,175,923	1,305,002	1,349,066	578,380	(22,441)	6,755,031
Taxation								(2,274,670)
Profit for the period								**4,480,361**
Segment assets	197,802,733	142,055,866	100,595,679	29,468,842	59,436,341	22,876,950	(22,448,716)	529,787,695
Unallocated assets								43,727,004
Total assets								**573,514,699**
Net interest income								
Segment liabilities	-	201,149,422	173,155,845	19,151,718	46,086,469	11,246	(9,530,099)	430,024,601
Unallocated liabilities								25,054,083
Total liabilities								**455,078,684**
Other Segment items:								
Capital expenditure	-	385,710	335,424	375	-	-	-	721,509
Expected credit losses	3,647	1,401,329	1,025	(1,010)	764	-	-	1,405,755
Depreciation and amortisation	3,037	326,033	165,704	67,188	3,946	-	-	565,908

Segmental Financial Information (Restated)

April 30, 2020

Unaudited ($ Thousands)	Banking							
	Treasury	Retail	Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	2,207,960	9,724,680	5,452,135	1,229,613	2,748,022	319,546	-	21,681,956
Revenues from other segments	(639,706)	11,433	553,498	144,784	(77,559)	-	7,550	-
Total revenues	1,568,254	9,736,113	6,005,633	1,374,397	2,670,463	319,546	7,550	21,681,956
Expenses	(489,697)	(9,874,690)	(3,792,503)	(747,339)	(652,744)	(63,674)	(44,246)	(15,664,893)
Profit before tax	1,078,557	(138,577)	2,213,130	627,058	2,017,719	255,872	(36,696)	6,017,063
Taxation								(1,999,435)
Profit for the period								**4,017,628**
Segment assets	163,902,026	142,569,417	93,113,103	36,412,966	58,662,939	23,101,540	(23,987,258)	493,774,733
Unallocated assets								45,191,310
Total assets								**538,966,043**
Net interest income								
Segment liabilities	-	182,151,785	160,430,577	27,460,503	45,654,632	57,253	(11,151,889)	404,602,861
Unallocated liabilities								21,951,617
Total liabilities								**426,554,478**
Other Segment items:								
Capital expenditure	-	392,487	254,512	-	-	-	-	646,999
Expected credit losses	(20,896)	2,683,676	25,797	(10,450)	(10,357)	-	-	2,667,770
Depreciation and amortisation	3,033	341,168	173,464	65,905	6,609	-	-	590,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
April 30, 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 (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, 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	13,868	16,285
Securities with regulators, clearing houses and other financial institutions	1,833	1,831
	15,701	**18,116**

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 (cont.)

(i) **Defined Benefit Plan (cont.)**

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.

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 year ended October 31, 2020. The following table summarizes the impact on the Group's and the Company's financial statements.

Statement of financial position

	October 2020			**April 2020**		
	As previously reported	Adjustments	As Restated	As previously reported	Adjustments	As Restated
Customers' liabilities under guarantees	13,041,700	(13,041,700)	-	12,985,427	(12,985,427)	-
Others	543,239,648	-	543,239,648	538,966,043	-	538,966,043
Total Assets	**556,281,348**	**(13,041,700)**	**543,239,648**	**551,951,470**	**(12,985,527)**	**538,966,043**
Guarantees issued	13,140,840	(13,140,840)	-	13,098,787	(13,098,787)	-
Others	432,384,874	99,140	432,484,014	426,441,118	113,360	426,554,478
Total Liabilities	445,525,714	(13,041,700)	432,484,014	439,539,905	(14,489,715)	426,554,478
Total Equity	110,755,634	-	110,755,634	112,411,565	-	112,411,565
Total Liabilities and Equity	**556,281,348**	**(13,041,700)**	**543,239,648**	**551,951,470**	**(12,985,527)**	**538,966,043**