MEDIA RELEASE

June 8, 2023

Scotiabank®

SCOTIA GROUP JAMAICA REPORTS

SECOND QUARTER OF FISCAL 2023 RESULTS

Scotia Group reports net income of $7.6 billion for the six months ended April 30, 2023, representing an increase of $4.0 billion or 108.4% over the comparative prior period. Net income for the quarter of $4.2 billion reflected an increase of $788MM or 23% over the previous quarter. The Group's performance continues to be anchored by solid growth across all our business lines, prudent risk management and efficient management of our operations.

"We remain laser-focused on our strategy, and this has allowed us to maintain momentum across our lines of business supported firmly by our ongoing customer service improvements and digital transformation initiatives" said Audrey Tugwell Henry, President and CEO of Scotia Group Jamaica.

She further commented, "Our customers continue to place their trust in us, evidenced by sustained growth in our deposit book and as we continue to evolve as a full-suite financial services provider. They have also shown increasing interest in our new and innovative products, including those offered by our recently launched subsidiary Scotia General Insurance Agency."

During the period under review, we have seen increasing interest in our products and services resulting in strong performances across the business. Total deposits increased by 10% ($437.6 billion in 2023 up from J$ 397.7 billion in 2022) as customers continue to trust us to manage their financial affairs. The Group also maintained growth in our lending portfolio as we continue to offer competitive products to the market. Total loans during the period increased by 20.3%, up J$42.1 billion compared the respective period in 2022. The corporate and commercial segment delivered growth of 23% over prior period as our team continued to provide relevant financial solutions, sound relationship management and exemplary services to business customers. There continues to be strong growth in our digital payment solutions for business customers with near universal adoption of our outgoing payment solutions on our propriety channels. We have also seen strong adoption of our eCommerce solutions and enhanced tax payment service introduced during the last two quarters.

The retail banking business also performed well with our flagship Scotia Plan Loans increasing by 12% versus the corresponding period in 2022. We continue to support customers to buy a home with highly competitive interest rates for mortgages. As a result, our mortgage business continues to perform exceptionally with a 31% increase versus the prior period.

Our life insurance business, Scotia Jamaica Life Insurance Company Limited (Scotia Insurance) reported net insurance revenue of $1 billion compared to $136 million in the prior period, reflecting a year over year increase of $894 million. Scotia Insurance will celebrate its 25th anniversary in June and we are proud to have helped thousands of Jamaicans to protect their families and plan for the future with our products. We intend to redouble our efforts to ensure that all our customers are aware of the importance of protection as part of their financial plan.

Scotia Insurance also launched a key enhancement to Scotia CritiCare, our critical illness plan, which now boasts triple the coverage previously offered as we increase our efforts to provide our customers with accessible and affordable coverage for major illnesses.

At Scotia Investments, all our funds continue to perform well with yields beating the respective benchmarks. Our Scotia Premium Short Term Income Fund JMD and Scotia Premium US$ Indexed Fund continue to deliver best-in-class performances ranking in the top two among similar funds. This performance is a testament to our investment management expertise as well as our commitment to deliver the best risk-adjusted returns to our customers.

We must also highlight the successful efforts of our Investment Banking team in raising J$250 million to refinance maturing preference shares for CAC 2000 Limited (Ltd.) - an industry - leading energy and indoor environmental quality solutions provider which services both the commercial and residential sectors.

Our Customer First strategy continues to evolve as we reimagine the customer experience in all areas of our business. We continue to leverage 'The Pulse', our customer feedback system to ensure that we are actively listening to customers and addressing their concerns. Over the past few months, we have seen marked improvements in customer satisfaction and net promoter scores.

Leveraging our customer insights, we recently launched Scotia Access, a focused relationship strategy for customers with more complex financial needs. This model offers personalized advice and solutions by a dedicated advisor as well as a digital collaboration tool which allows customers to connect on the go in a secure environment through mobile or online banking with their assigned advisor via chat, audio or video conferencing.

In March 2023, we began a major migration exercise of approximately 70,000 customers to accounts better suited for their needs. The migration exercise included customers who now qualify for senior accounts which offer a range of special benefits and reduced fees.

Further upgrades continued across our digital channels with the revamping of our online banking website and the implementation of 'Breeze' - a more customer intuitive online web platform with several enhanced functionalities. Online banking is now our most used channel with 39% of total transactions being conducted online and only 2% within our branches.

We continue to advance our Environmental, Social and Governance (ESG) agenda through various initiatives. In April 2023, we supported the Jamaica Environment Trust in coastal clean-up efforts with a beach clean-up activity at Sigarny Beach in Kingston. Over 4,100 pounds of garbage were collected and sorted during that event. During the quarter, Scotiabank globally launched a net zero research fund which offered not-for-profit and charitable organizations opportunities to submit proposals for research targeting decarbonization.

Our Social Impact initiatives are ongoing throughout the year. During the quarter, the Group supported Junior Achievement Jamaica through the 'Scotiabank Road to Success' financial education programme. Financial literacy sessions were also held in conjunction with project STAR for women in the participating communities in Kingston. The Scotiabank Women Initiative (SWI) continued to support women-led businesses through an education seminar focused on ecommerce. The SWI also launched an entrepreneurial course with Dress for Success Jamaica aimed at helping women from disadvantaged situations to become more economically resilient.

In line with our corporate governance standards, Scotia Group held its Annual General Meeting in March 2023 in a hybrid format. This gave us the opportunity to engage with our shareholders to discuss the performance and direction of the business.

In closing, I would sincerely like to thank all our shareholders for their demonstrated confidence in the Group. I would like to thank our winning team of Scotiabankers for going the extra mile for our customers and delivering another strong performance this quarter, and of course thank you to our customers who continue to make Scotia their financial partner - for every future."

GROUP FINANCIAL PERFORMANCE

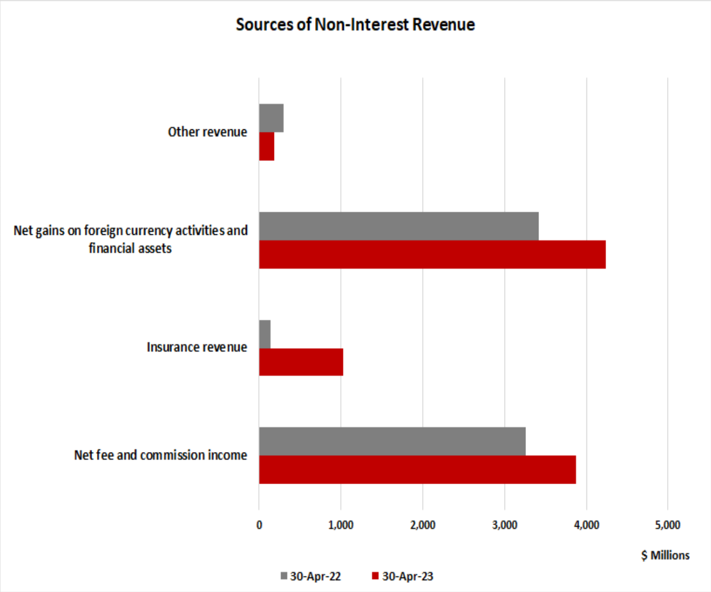
TOTAL REVENUES

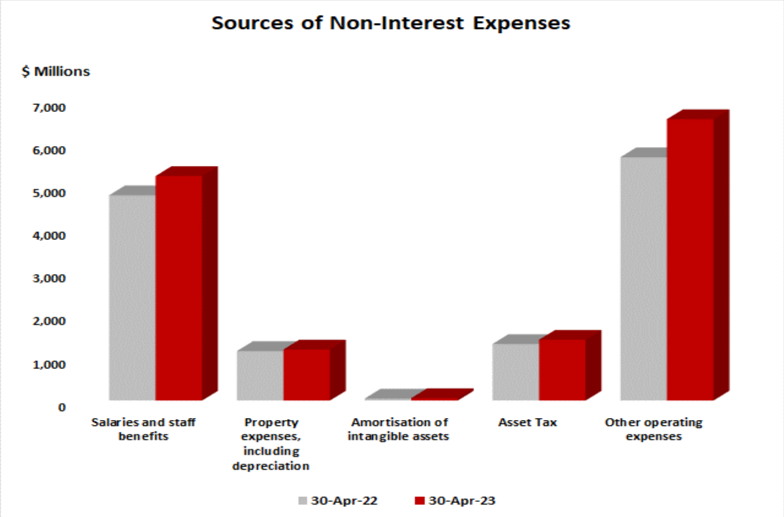
Total revenues excluding expected credit losses for the six months ended April 30, 2023, grew by $7.4 billion to $27.2 billion reflecting an increase of 37.2% over the prior year period. This was primarily driven by an increase in net interest income of $5.2 billion stemming from the strong growth in our loan portfolio, higher insurance revenue as well as higher fee and commission income earned given the significant increase in transaction volumes.

OTHER REVENUE

Other income, defined as all income other than interest income increased by $2.2 billion or 31.1%.

- Net insurance revenue increased by $894.1 million or 657.5% from $136.0 million[1] to $1.0 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 further deepening of our customer relationships.
- Net fee and commission income for the period amounted to $3.9 billion and showed an increase of $619.1 million or 19.0% given an increase in customer transactions and business activities.
- Net gains on foreign currency activities and financial assets amounted to $4.2 billion reflecting a year over year increase of $822.6 million or 24.1%.





OPERATING EXPENSES

Operating expenses continue to be anchored by the Group's expense management initiatives and totaled $14.4 billion as at April 2023 reflecting an increase of $1.5 billion or 11.4% 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 of $136.0 million (previously reported – gain of $1.5 billion). See note 11 for details on the restatement.

CREDIT QUALITY

Expected credit losses for the period showed a reduction of $51.2 million or 4.2% when compared to Q2 2022. 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 April 2023 totaled $4.2 billion compared to $4.0 billion as at April 2022. This represents an increase of $227.4 million or 5.7% . The Group's NALs represent 1.7% of gross loans when compared to April 2022 (1.9%) and 0.7% of total assets (April 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 April 2023 was $6.0 billion, representing 141.2% coverage of total non-performing loans.

GROUP FINANCIAL CONDITION

ASSETS

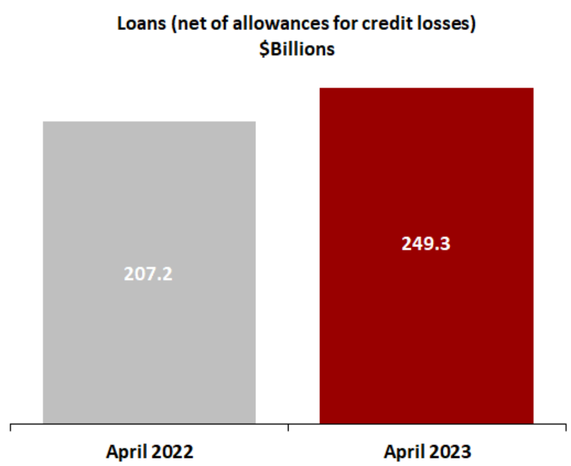
The Group's asset base grew by $27.7 billion or 4.6% to $633.0 billion as at April 2023. This was predominantly as a result of the significant growth on our loan portfolio of $42.1 billion or 20.3% and higher cash resources of $18.4 billion or 11.3% . This was partially offset by a reduction in other assets of $19.5 billion or 35.9% on account of the lower carrying value of the retirement benefit asset as well as lower investment securities of $10.4 billion or 6.4%.

Cash Resources

Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $181.2 billion and reflected a year over year increase of $18.4 billion or 11.3%. The increase noted was attributable to the growth in our core deposits as well as investment maturities. 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 $42.1 billion or 20.3% compared to April 2022, with loans net of allowances for credit losses increasing to $249.3 billion. Our core loan book continues to perform well with mortgages increasing year over year by 31%, consumer loans by 12% and commercial loans by 23%.

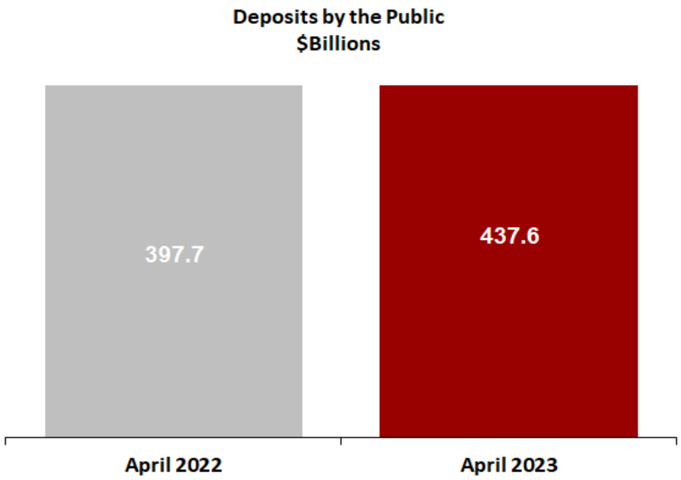


LIABILITIES

Total liabilities were $523.7 billion as at April 2023 and showed an increase of $31.2 billion or 6.3%. The increase noted was driven mainly by increased customer deposits.

Deposits

Deposits by the public increased to $437.6 billion. The $39.9 billion or 10.0% 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 $5.3 billion or 32.4%. Our strategic focus continues to be geared towards growing our off-balance sheet business, namely, mutual funds and unit trusts. As at April 2023 our asset management portfolios showed a reduction of $2.1 billion or 1.1% given the fall off in the fair value of the funds stemming from the significant increase in interest rates in the market.

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 $49.4 billion as at April 2023 and reflected a year over year increase of $1.0 billion or 2.1%. Our segregated fund balance primarily relates to our Scotia Affirm product which continues to perform well, growing by $242.5 million or 27.0% year over year. The increase noted was attributable to the improved performance of the stock market. In addition, we continue to advise Jamaicans of the importance of having insurance protection as part of their overall financial plan.

Other Liabilities

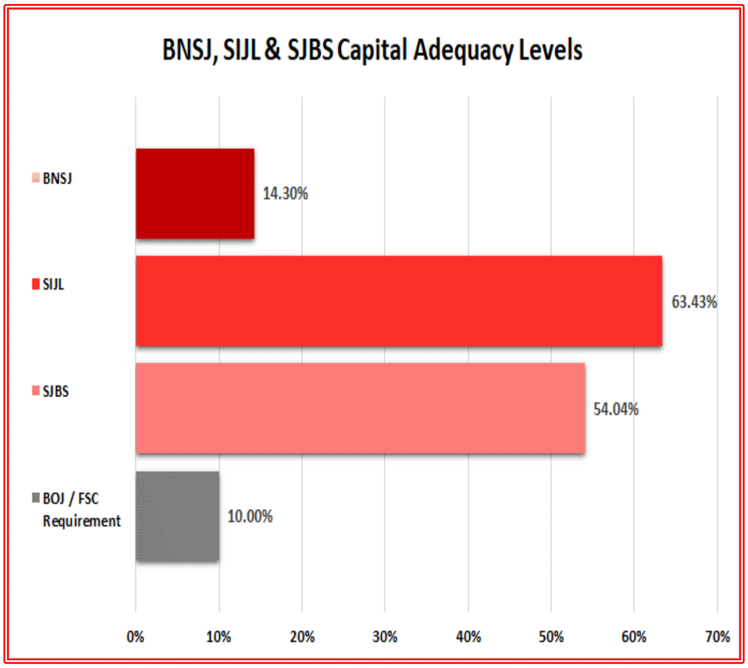
Other liabilities totaled $22.2 billion as at April 2023 and showed a reduction of $4.6 billion or 17.1% over prior year. The year over year movement was primarily attributable to the reduction in deferred taxation of $6.7 billion or 84.8% given the change in the retirement benefit asset based on the revised assumptions used in the actuarial valuation. This was partially offset by an increase in other liabilities of $3.1 billion or 22.9%.

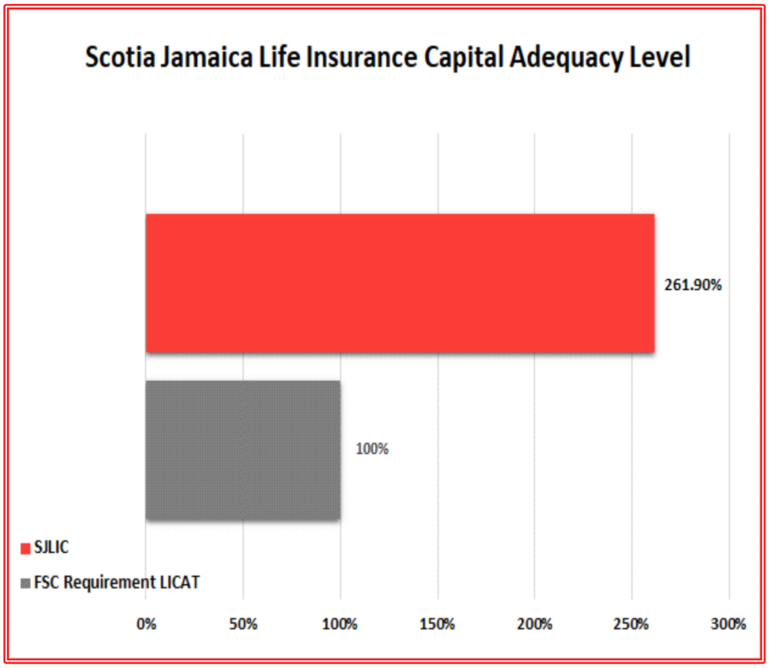
CAPITAL

Shareholders' equity available to common shareholders totaled $109.3 billion and reflected a reduction of $3.5 billion or 3.1% when compared to April 2022. This was due primarily to the reduction in the carrying value of the defined benefit pension plan asset and dividends paid which was partially offset by internally generated profits.

We continue to exceed regulatory capital requirements in all our business lines, and our strong capital position also enables us to manage increased capital adequacy requirements in the future and take advantage of growth opportunities.

Our regulatory capital adequacy levels versus the minimum requirements are shown below:





OUR COMMITMENT TO THE COMMUNITY

Scotia Group Jamaica maintained its philanthropic efforts during the second quarter of the financial year, to support the communities in which we operate.

MENTORING YOUTH

Through several initiatives, volunteers from the Scotiabank Jamaica Foundation (Scotia Foundation) invested their time in programmes and initiatives designed to mentor and guide young people. Beginning in February 2023, volunteers participated in Career Day activities at the Allman Town primary school to encourage the students to earnestly pursue their dreams and gave insight into careers within the financial sector.

Maintaining our relationship with Junior Achievement Jamaica, Scotiabank volunteers assisted the entity to host several developmental sessions with high school students across the island.

Over 1,000 high school students have since the start of the year participated in the Scotiabank Road to Success programme, which is designed to raise awareness among youth about the importance of managing their finances and setting goals for the future. Some of the students who participated in the programme were also invited to Scotia Group Jamaica's Annual General Meeting to gain exposure on how a publicly listed company operates.

Audrey Tugwell Henry, President and CEO, Scotia Group Jamaica is pictured with students and teachers from the Vauxhall and Holy Trinity High Schools at the company's AGM. The students were part of the Scotiabank sponsored programme with Junior Achievement Jamaica.

Kaysia Johnson Vaughan, Director, SME Professional Partnerships, Scotiabank, is engaged in conversation with ladies from the Project STAR supported communities at the International Women's Day reception hosted by the Scotia Foundation.

UPLIFTING WOMEN & ENTREPRENUERS

In keeping with our commitment to community development, the Scotia Foundation executed several projects in partnership with Project STAR (Social Transformation and Renewal) to positively affect the lives of the people in our surrounding communities. In March, as part of celebrations for Women's History Month and International Women's Day, the Foundation feted several women and female entrepreneurs from the Rose and Parade Gardens communities in downtown, Kingston to a reception hosted by several of the Bank's female leaders.

SUPPORTING FINANCIAL LITERACY

Scotiabank volunteers also hosted a financial literacy session with entrepreneurs from communities supported by Project STAR to guide the community business leaders on how to enhance their efforts. Project STAR is a multi-agency, private sector funded, 4-year intervention programme targeting a development and transformation of several some communities across Jamaica. The Scotia Foundation has invested $10 million in the initiative.

Yvett Anderson, District Vice President for Retail Banking, makes a point to entrepreneurs in the financial literacy session hosted from members of the Rose and Parade Gardens communities.

PRESERVING THE ENVIRONMENT

During the quarter, the Scotia Foundation also partnered with the Jamaica Environment Trust (JET) to clear garbage from the coast at the Sigarny Beach in Kingston in commemoration of Earth Day on April 22. Some 60 Scotiabank volunteers along with other corporate volunteers worked to rid the coast of plastics and other trash items. A total of 413 bags of garbage, weighing an estimated 4,100 pounds, were removed from the beach by 149 volunteers.

Scotiabank volunteers at the coastal clean-up held at the Sigarny Beach in Kingston on Earth Day, April 22.

Consolidated Statement of Revenue and Expenses
Period ended April 30, 2023

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	April 2023	January 2023	Restated April 2022	April 2023	April 2022
Interest income	9,746,617	9,244,066	6,995,463	18,990,683	13,607,511
Interest expense	(369,450)	(130,555)	(141,578)	(500,005)	(286,766)
Net interest income	9,377,167	9,113,511	6,853,885	18,490,678	13,320,745
Expected credit losses	(665,080)	(510,014)	(656,976)	(1,175,094)	(1,226,283)
Net interest income after expected credit losses	8,712,087	8,603,497	6,196,909	17,315,584	12,094,462
Finance expenses from insurance contracts	(424,335)	(188,231)	(503,244)	(612,566)	(604,129)
Finance expenses from reinsurance contracts	(15)	(17)	136	(32)	134
Total insurance finance expenses	(424,350)	(188,248)	(503,108)	(612,598)	(603,995)
Insurance revenue	573,451	660,651	546,051	1,234,102	368,445
Insurance service expenses	(80,815)	(123,184)	(70,325)	(203,999)	(232,462)
Net insurance revenue	492,636	537,467	475,726	1,030,103	135,983
Net fee and commission income	1,940,040	1,933,616	1,752,180	3,873,656	3,254,518
Net gains on foreign currency activities	1,944,911	2,070,110	1,248,504	4,015,021	3,365,968
Net gains / (losses) on financial assets	33,435	189,775	(19,263)	223,210	49,687
Other revenue	9,345	168,783	6,713	178,128	302,101
	3,927,731	4,362,284	2,988,134	8,290,015	6,972,274
Total operating Income	12,708,104	13,315,000	9,157,661	26,023,104	18,598,724
Operating Expenses					
Salaries and staff benefits	2,630,514	2,595,916	2,233,594	5,226,430	4,777,328
Property expenses, including depreciation	622,867	564,911	627,409	1,187,778	1,152,307
Amortisation of intangible assets	27,361	28,354	22,739	55,715	45,480
Asset tax	1,909	1,412,687	(40,878)	1,414,596	1,316,085
Other operating expenses	3,284,123	3,266,545	2,926,158	6,550,668	5,664,904
	6,566,774	7,868,413	5,769,022	14,435,187	12,956,104
Profit before taxation	6,141,330	5,446,587	3,388,639	11,587,917	5,642,620
Taxation	(1,932,999)	(2,026,293)	(981,743)	(3,959,292)	(1,982,439)
Profit for the period	4,208,331	3,420,294	2,406,896	7,628,625	3,660,181
Attributable to:-					
Equityholders of the Company	4,208,331	3,420,294	2,406,896	7,628,625	3,660,181
Earnings per share (cents)	135	110	77	245	118
Return on average equity (annualized)	15.70%	12.87%	8.48%	14.22%	6.46%
Return on assets (annualized)	2.66%	2.26%	1.59%	2.41%	1.21%
Productivity ratio	49.10%	56.91%	58.78%	53.07%	65.35%

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Consolidated Statement of Comprehensive Income
Period ended April 30, 2023

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	April 2023	January 2023	Restated April 2022	April 2023	April 2022
Profit for the period	4,208,331	3,420,294	2,406,896	7,628,625	3,660,181
Other comprehensive (loss) / income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan/obligations	186,752	(9,460,619)	219,973	(9,273,867)	2,967,971
Taxation	(62,251)	3,153,540	(73,325)	3,091,289	(989,324)
	124,501	(6,307,079)	146,648	(6,182,578)	1,978,647
Items that may be subsequently reclassified to profit or loss:					
Unrealised gains / (losses) on investment securities	954,380	1,636,098	(3,608,168)	2,590,478	(4,650,928)
Realised gains on investment securities	7,027	1,866	21,120	8,893	41,702
Foreign currency translation	(707)	994	(4,003)	287	(1,473)
Finance income / (expense) from insurance contracts	(189,170)	739,512	(581,065)	170,552	(573,324)
Expected credit losses on investment securities	35,211	135,340	2,367	550,341	4,898
	806,741	2,513,810	(4,169,749)	3,320,551	(5,179,125)
Taxation	(261,155)	(732,466)	1,219,739	(993,621)	1,524,516
	545,586	1,781,344	(2,950,010)	2,326,930	(3,654,609)
Other comprehensive (loss) / income, net of tax	670,087	(4,525,735)	(2,803,362)	(3,855,648)	(1,675,962)
Total comprehensive (loss) / income for the period	4,878,418	(1,105,441)	(396,466)	3,772,977	1,984,219

Consolidated Statement of Financial Position
April 30, 2023

Unaudited	April 30, 2023	Restated October 31, 2022	Restated April 30, 2022
($ Thousands)			
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	181,170,125	148,992,184	162,778,858
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,521,862	3,035,413	2,965,281
INVESTMENT SECURITIES	150,639,857	148,846,066	160,997,695
PLEDGED ASSETS	13,482,777	15,598,720	16,249,117
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	751,427	-
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	249,326,269	237,044,011	207,221,552
SEGREGATED FUND ASSETS	1,140,406	978,078	897,920
REINSURANCE CONTRACT ASSETS	2,360	2,481	2,410
OTHER ASSETS			
Property and equipment, including right of use assets	9,434,816	9,311,741	8,940,096
Deferred taxation	2,093,336	2,594,677	1,653,455
Taxation recoverable	3,579,211	2,591,341	2,034,647
Retirement benefit asset	14,947,298	23,561,041	35,198,393
Other assets	4,193,409	3,119,420	5,862,982
Intangible assets	499,823	552,036	524,942
	34,747,893	41,730,256	54,214,515
TOTAL ASSETS	**633,031,549**	**596,978,636**	**605,327,348**
LIABILITIES			
Deposits by the public	437,552,259	397,176,483	397,661,777
Amounts due to banks and other financial institutions	2,336,320	1,561,132	2,425,460
	439,888,579	398,737,615	400,087,237
OTHER LIABILITIES			
Capital management and government securities funds	11,115,059	14,128,403	16,440,586
Deferred taxation	1,191,273	3,501,883	7,846,213
Retirement benefit obligation	4,485,706	4,557,782	5,488,515
Other liabilities	16,548,392	17,537,336	13,464,264
	33,340,430	39,725,404	43,239,578
INSURANCE CONTRACT LIABILITIES	49,358,107	50,139,394	48,334,419
REINSURANCE CONTRACT LIABILITIES	1,641	1,780	1,798
SEGREGATED FUND ASSETS	1,140,406	978,078	897,920
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	46,891,770	45,891,770	45,891,770
Capital reserve	11,340	11,340	11,340
Loan loss reserve	444,749	361,367	488,674
Other reserves	9,964	9,964	9,964
Insurance Finance Reserve	(805,794)	(1,218,549)	(429,993)
Translation reserve	35,222	34,935	37,232
Cumulative remeasurement on investment securities	(3,517,781)	(5,431,669)	(3,832,818)
Unappropriated profits	56,413,130	57,917,421	60,770,441
	109,302,386	107,396,365	112,766,396
TOTAL EQUITY AND LIABILITIES	**633,031,549**	**596,978,636**	**605,327,348**

Director

Director

Consolidated Statement of Changes in Shareholders' Equity

as at April 30, 2023

Unaudited ($ 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	-	-	-	-	-	-	-	-	-	**(1,034,882)**	**(1,034,882)**
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**	**57,463,604**	**112,960,291**
Net Profit	-	-	-	-	-	-	-	-	-	3,660,181	3,660,181
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	1,978,647	1,978,647
Foreign Currency Translation	-	-	-	-	-	-	-	-	(1,473)	-	(1,473)
Unrealised losses on investment securities, net of taxes and provisions	-	-	-	-	(3,250,945)	-	-	-	-	-	(3,250,945)
Realised losses on investment securities, net of taxes	-	-	-	-	27,802	-	-	-	-	-	27,802
Financeexpense on insurance contracts	-	-	-	-	-	-	-	(429,993)	-	-	(429,993)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(3,223,143)**	**-**	**-**	**(429,993)**	**(1,473)**	**5,638,828**	**1,984,219**
Transfer to loan loss reserve	-	-	-	-	-	153,877	-	-	-	(153,877)	-
Dividends paid	-	-	-	-	-	-	-	-	-	(2,178,114)	(2,178,114)
Balance as at 30 April 2022, as restated	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(3,832,818)**	**488,674**	**9,964**	**(429,993)**	**37,232**	**60,770,441**	**112,766,396**
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**	**(1,218,549)**	**34,935**	**57,917,421**	**107,396,365**
Net Profit	-	-	-	-	-	-	-	-	-	7,628,625	7,628,625
Other Comprehensive Income											
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	(6,182,578)	(6,182,578)
Foreign Currency Translation	-	-	-	-	-	-	-	-	287	-	287
Unrealised gains on investment securities, net of taxes and provisions	-	-	-	-	1,907,959	-	-	-	-	-	1,907,959
Realised losses on investment securities, net of taxes	-	-	-	-	5,929	-	-	-	-	-	5,929
Finance income on insurance contracts	-	-	-	-	-	-	-	412,755	-	-	412,755
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,913,888**	**-**	**-**	**412,755**	**287**	**1,446,047**	**3,772,977**
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	1,000,000	-	-	-	-		-	(1,000,000)	-
Transfer to loan loss reserve	-	-	-	-	-	83,382	-		-	(83,382)	-
Dividends paid	-	-	-	-	-	-	-		-	(1,866,956)	(1,866,956)
Balance as at 30 April 2023	**6,569,810**	**3,249,976**	**46,891,770**	**11,340**	**(3,517,781)**	**444,749**	**9,964**	**(805,794)**	**35,222**	**56,413,130**	**109,302,386**

Condensed Statement of Consolidated Cash Flows
Period ended April 30, 2023

Unaudited ($ Thousands)	2023	Restated 2022
Cash flows provided by operating activities		
Profit for the period	7,628,625	3,660,181
Items not affecting cash:		
Expected credit losses	1,728,890	1,832,546
Depreciation and amortisation of right of use assets	495,168	471,685
Amortisation of intangible assets	55,716	45,480
Taxation	3,959,292	1,982,439
Net interest income	(18,490,678)	(13,320,746)
Gain on disposal of property	(159,873)	(287,416)
Increase in retirement benefit assets / obligations	(658,570)	(643,814)
Impairment of property and equipment	-	11,871
	(5,441,430)	(6,247,774)
Changes in operating assets and liabilities		
Loans	(13,948,270)	(1,482,040)
Deposits	37,358,338	16,821,496
Insurance contracts	(230,964)	1,319,199
Financial assets at fair value through profit and loss	529,734	758,937
Interest received	18,527,208	13,512,941
Interest paid	(480,338)	(275,847)
Taxation paid	(4,575,099)	(1,118,829)
Amounts with parent and fellow subsidiaries	(406,059)	770,892
Other	(6,085,933)	(3,664,832)
	25,247,187	20,394,143
Cash flows provided by/ (used in) investing activities		
Purchase of investment securities	(68,184,090)	(66,709,022)
Proceeds from maturities / sales of investment securities	73,820,546	42,748,163
Purchase of property, equipment and intangibles	(581,800)	(502,465)
Proceeds on sale of property and equipment	189,593	331,355
	5,244,249	(24,131,969)
Cash flows used in financing activities		
Dividends paid	(1,866,956)	(2,178,114)
Lease payments on right of use asset	(88,329)	(88,449)
	(1,955,285)	(2,266,563)
Effect of exchange rate on cash and cash equivalents	243,983	(752,578)
Net change in cash and cash equivalents	28,780,134	(6,756,967)
Cash and cash equivalents at beginning of year	103,837,023	127,412,620
Cash and cash equivalents at end of period	**132,617,157**	**120,655,653**
Represented by :		
Cash resources, net of expected credit losses	181,170,125	162,778,858
Less statutory reserves at Bank of Jamaica	(39,371,332)	(32,784,126)
Less amounts due from other banks greater than ninety days	(8,638,910)	(9,113,017)
Expected credit losses on cash resources	43,831	1,683
Less accrued interest on cash resources	(363,868)	(60,620)
Pledged assets, investment securities and repurchase agreements assets less than ninety days	3,251,178	3,112,057
Cheques and other instruments in transit, net	(3,473,867)	(3,279,182)
Cash and cash equivalents at the end of the period	**132,617,157**	**120,655,653**

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Segmental Financial Information

April 30, 2023

Unaudited ($ Thousands)	Banking							
	Treasury	Retail	Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	5,805,635	9,912,201	7,300,122	1,563,995	2,453,299	162,946	-	27,198,198
Revenues from other segments	(4,098,003)	1,188,492	2,743,425	80,928	92,280	-	(7,122)	-
Total revenues	1,707,632	11,100,693	10,043,547	1,644,923	2,545,579	162,946	(7,122)	27,198,198
Expenses	(672,967)	(9,199,898)	(4,402,072)	(837,934)	(399,940)	(77,088)	(20,382)	(15,610,281)
Profit before tax	1,034,665	1,900,795	5,641,475	806,989	2,145,639	85,858	(27,504)	11,587,917
Taxation								(3,959,292)
Profit for the period								**7,628,625**
Segment assets	253,265,675	179,328,919	100,640,078	24,201,502	66,472,585	22,355,614	(33,185,372)	613,079,001
Unallocated assets								19,952,548
Total assets								**633,031,549**
Segment liabilities	1,901,093	239,397,739	219,813,673	14,316,295	50,658,856	102,800	(17,590,240)	508,600,216
Unallocated liabilities								15,128,947
Total liabilities								**523,729,163**
Other Segment items:								
Net interest income	619,451	8,790,688	6,343,088	480,464	2,011,251	191,657	54,079	18,490,678
Capital expenditure	-	266,770	312,815	2,215	-	-	-	581,800
Expected credit losses	11,387	990,084	65,392	23,542	84,689	-	-	1,175,094
Depreciation and amortisation	3,827	323,609	164,551	56,583	2,314	-	-	550,884

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Segmental Financial Information

April 30, 2022 (Restated)

Unaudited ($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	3,088,788	8,982,644	5,144,161	1,455,214	1,168,277	(14,077)	-	19,825,007
Revenues from other segments	(1,395,943)	249,918	1,112,577	22,521	(4,713)	-	15,640	-
Total revenues	1,692,845	9,232,562	6,256,738	1,477,735	1,163,564	(14,077)	15,640	19,825,007
Expenses	(685,610)	(8,738,688)	(3,482,718)	(828,141)	(374,622)	(31,736)	(40,872)	(14,182,387)
Profit before tax	1,007,235	493,874	2,774,020	649,594	788,942	(45,813)	(25,232)	5,642,620
Taxation								(1,982,439)
Profit for the period								**3,660,181**
Segment assets	244,920,887	154,729,946	80,968,126	27,850,603	60,416,368	23,079,879	(27,586,123)	564,379,686
Unallocated assets								40,947,662
Total assets								**605,327,348**
Segment liabilities	-	217,137,109	200,937,159	18,113,929	49,491,808	15,178	(14,609,321)	471,085,862
Unallocated liabilities								21,475,090
Total liabilities								**492,560,952**
Other Segment items:								
Net interest income	616,328	7,333,503	3,584,738	257,531	1,499,999	7,553	21,093	13,320,745
Capital expenditure	-	295,326	207,139	-	-	-	-	502,465
Expected credit losses	15,693	1,182,856	25,608	1,202	924	-	-	1,226,283
Depreciation and amortisation	3,644	321,736	137,649	51,813	2,323	-	-	517,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
April 30, 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, 2022, 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	11,019	14,372
Securities with regulators, clearing houses and other financial institutions	2,464	1,877
	13,483	**16,249**

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 adjustment

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’.*

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

Statement of Financial Position	**October 2022**			**October 2021**		
	As previously reported	**Adjustments**	**As restated**	**As previously reported**	**Adjustments**	**As restated**
ASSETS						
Cash Resources, net of Allowances	148,992,184	-	148,992,184	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	-	148,846,066	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	(742,043)	237,044,011	208,523,054	(839,191)	207,683,863
Segregated Fund Assets	-	978,078	978,078	-	830,584	830,584
Reinsurance Contract Assets	-	2,481	2,481	-	1,694	1,694
Other Assets						
Taxation Recoverable	2,591,341	-	2,591,341	2,262,233	-	2,262,233
Other Assets	3,128,904	(9,484)	3,119,420	4,036,354	-	4,036,354
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	1,151,381	2,594,677	441,444	344,969	786,413
	40,588,359	1,141,897	41,730,256	47,416,663	344,969	47,761,632
TOTAL ASSETS	**595,598,223**	**1,380,413**	**596,978,636**	**585,583,209**	**338,056**	**585,921,265**
LIABILITIES						
Deposits by Public	398,737,615	-	398,737,615	380,430,926	-	380,430,926
Other Liabilities	39,725,404	-	39,725,404	45,291,803	-	45,291,803
Insurance Contract Liabilities	46,284,431	3,854,963	50,139,394	45,865,307	540,268	46,405,575
Segregated Fund Liabilities	-	978,078	978,078	-	830,584	830,584
Reinsurance Contract Liabilities	-	1,780	1,780	-	2,086	2,086
Share Capital and Other Equity	50,697,493	-	50,697,493	55,496,687	-	55,496,687
Unappropriated Profits	60,153,280	(2,235,859)	57,917,421	58,498,486	(1,034,882)	57,463,604
Insurance Finance Reserve	-	(1,218,549)	(1,218,549)	-	-	-
TOTAL EQUITY AND LIABILITIES	**595,598,223**	**1,380,413**	**596,978,636**	**585,583,209**	**338,056**	**585,921,265**

11. Prior year adjustment (continued)

Statement of Revenue & Expenses	April 30, 2022		
($ Thousands)	**As previously reported**	**Adjustments**	**As restated**
Interest Income	13,604,716	2,795	13,607,511
Interest Expense	(894,903)	608,137	(286,766)
Expected Credit Losses	(1,226,283)	-	(1,226,283)
Net Finance Expenses from Insurance Contracts	-	(604,129)	(604,129)
Net Finance Income or Expense from Reinsurance Contracts	-	134	134
Insurance Revenue	1,498,913	(1,130,468)	368,445
Insurance Service Expenses	-	(232,462)	(232,462)
Net Fee and Commission Income	3,256,278	(1,760)	3,254,518
Net Gains on Foreign Currency Activities	3,365,968	-	3,365,968
Net Gains on Financial Assets	49,687	-	49,687
Other Revenue	302,101	-	302,101
TOTAL OPERATING INCOME	**19,956,477**	(1,357,753)	**18,598,724**
OPERATING EXPENSES			
Salaries and Staff Benefits	5,005,375	(228,047)	4,777,328
Property Expenses, including depreciation	1,167,081	(14,774)	1,152,307
Amortisation of Intangible Assets	45,480	-	45,480
Asset Tax	1,316,085	-	1,316,085
Other Operating Expenses	5,835,396	(170,492)	5,664,904
TOTAL OPERATING EXPENSES	**13,369,417**	(413,313)	**12,956,104**
PROFIT BEFORE TAXATION	**6,587,060**	(944,440)	**5,642,620**
Taxation	(2,218,672)	236,233	(1,982,439)
PROFIT FOR THE PERIOD	**4,368,388**	(708,207)	**3,660,181**
Statement of Comprehensive Income			
Items that will not be reclassified to profit and loss			
Remeasurement Of Defined Benefit Plans/Obligations net of taxes	1,978,647	-	1,978,647
Items that will be reclassified to profit and loss			
Unrealized Losses on Investment Securities	(4,650,928)	-	(4,650,928)
Realised Losses/Gains on Investment Securities	41,702	-	41,702
Foreign Currency Translation	(1,473)	-	(1,473)
Expected Credit Losses on Investment Securities	4,898	-	4,898
Insurance Finance Reserve	-	(573,324)	(573,324)
	(2,627,154)	(573,324)	(3,200,478)
Taxation	1,381,185	143,331	1,524,516
	(1,245,969)	**(429,993)**	**(1,675,962)**
OTHER COMPREHENSIVE INCOME, NET OF TAX	**3,122,419**	**(1,138,200)**	**1,984,219**