MEDIA RELEASE

September 3, 2015

DEEPLY ROOTED

SCOTIA GROUP JAMAICA REPORTS THIRD QUARTER FINANCIAL RESULTS

YEAR TO DATE 2015 HIGHLIGHTS

- **Net Income of $6.16 billion**
- **Net Income available to common shareholders of $6.01 billion**
- **Earnings per share of $1.93**
- **Return on Average Equity of 10.22%**
- **Productivity ratio of 64.96%**
- **Year to date dividends of $1.20 per share**

THIRD QUARTER 2015 HIGHLIGHTS

- **Net Income of $2.31 billion**
- **Net Income available to common shareholders of $2.25 billion**
- **Earnings per share of $0.72**
- **Return on Average Equity of 11.27%**
- **Productivity ratio of 62.10%**
- **Third quarter dividend of 40 cents per share**

Scotia Group reports net income of $6.16 billion for the nine months ended July 31, 2015 representing return on average equity of 10.22%. This compares with the restated net income of $7.97 billion for the period ended July 31, 2014 and return on average equity of 14.33%. The reduction was impacted by Asset Tax expense of $1.29 billion based on the adoption of IFRIC 21, Levies, as well as the increase in the Asset Tax rates imposed in May 2014. The net income for this quarter, Q3 2015, was $2.31 billion, which is in line with the results for the second quarter ended April 30, 2015 of $2.36 billion.

The Board of Directors today approved a third interim dividend of 40 cents per stock unit payable on October 15, 2015, to stockholders on record at September 23, 2015.

Jackie Sharp, President & CEO said, “While our core business and assets continued to grow over the last nine months, the Group’s profitability was impacted by shrinking margins and the significant increase in Asset Taxes. Despite this impact, our Group posted commendable results for the quarter, driven by new client acquisition and growth in our key business lines: deposits and lending, insurance, asset management, and improvement in the risk profile of our assets.

We continue to execute initiatives to improve operating efficiencies while helping our customers to enhance their experience through the use of more convenient and more cost-effective electronic channels. We improved our retail internet banking platform to allow our customers to transfer funds to accounts at any participating financial institution, allowing them to make payments with ease. In our continued thrust to support the SME sector, we were pleased to launch Scotia Vision Achiever, where 24 small business owners will go through a 17 week business coaching programme designed to improve their core competency for running a business.

We remained focused on being the number one financial service provider to our customers at all times; delivering solid results every quarter; and the right financial solutions to create wealth and make them financially better off.”

Scotiabank Group

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GROUP FINANCIAL PERFORMANCE

TOTAL REVENUES

Total revenue for the nine months was $26.3 billion, a decrease of $319 million or 1.20% over prior year. For the this quarter, Q3 2015, total revenue of $8,621 million was down $103 million or 1.18% when compared to Q2 2015. The diversified earning stream for the Group continues to provide sustainable revenues from each business line as outlined below:

J$ Million	YTD 2015 Revenue	% Contribution
Treasury	2,195	8%
Retail Banking	11,881	45%
Corporate Banking	5,719	22%
Investment Management Services	2,429	9%
Insurance Services	3,433	13%
Other	692	3%
Total Revenues	**26,349**	**100%**

NET INTEREST INCOME AFTER IMPAIRMENT LOSSES

Net interest income after impairment losses for the period was $16.9 billion, an increase of $76 million when compared with the same period in 2014. Our strong risk management culture has resulted in a reduction in the impairment losses on loans by $309 million, due to enhanced adjudication, monitoring and collection efforts. The Group continues to report strong growth in loan volumes during the year, particularly for our Residential Mortgages, Consumer and Commercial portfolios, however net interest margins continue to decline due to lower market interest rates and the competitive environment.

OTHER REVENUE

Other revenue for the period amounted to $8.3 billion, a decrease of $85 million compared to 2014, and down $164 million or 5.89% compared to last quarter. Net fee and commission income increased by $573 million or 13.4% year over year, and $19 million or 1.1% quarter over quarter. This was primarily due to increased transaction volumes across all portfolios, which was more pronounced in our credit card and merchant service business. However, we reported lower insurance revenue, lower net gains on foreign currency activities and financial assets in the Investment Management segment of the Group.

OPERATING EXPENSES AND PRODUCTIVITY

Our productivity ratio was 64.96% for 2015, compared to 60.34% for the same period as at July 31, 2014. Operating Expenses for the nine months amounted to $16.05 billion, an increase of $1.34 billion or 9.07% compared to the similar period last year. The increase in operating expenses is due primarily to the increase in the Asset Tax resulting from the adoption of IFRIC 21, Levies as well as the increase in the rates from 0.14% to 0.25% for regulated financial institutions, except insurance companies where the increase was from 0.14% to 1.00%. This resulted in Asset Tax of $1.29 billion being recorded in the financial results for July 2015, compared to $484 million for July 2014, an increase of $803 million. Excluding the impact of Asset Tax, operating expenses would have increased by $533 million or 3.7%, which is in line with inflation. The Group continues to focus on executing various initiatives to drive greater efficiencies and manage structural operating costs.

GROUP FINANCIAL CONDITION

ASSETS

Total assets increased year over year by $23.4 billion or 5.8% to $424 billion as at July 31, 2015. The growth was primarily attributable to increases of $4.1 billion or 2.9% in Loans, net of allowance for impairment losses, $8.1 or 5.4% billion in investment and pledged assets and $8.8 billion in other assets resulting from higher retirement benefit asset.

Loans, after allowance for impairment losses amounted to $148.7 billion as at July 31, 2015. Non-performing loans (NPLs) at July 31, 2015 totaled $4.7 billion, representing 3.10% of total gross loans down from 3.31 % last year and 3.26% as at April 30, 2015. The Group’s aggregate loan loss provision as at July 31, 2015 was $5.2 billion, representing over 100% coverage of the total non-performing loans.

LIABILITIES

Total customer liabilities represented by deposits, securities sold under repurchase agreements, and policyholders’ funds grew to $315 billion, an increase of $11.6 billion or 3.8% compared to 2014. A significant portion of the growth was reflected in core deposits, which grew by 9.5% year over year, as customer continue to reflect confidence in the strength of the bank. Our Securities sold under repurchase agreements however, declined in keeping with our strategy of positioning Scotia Investments as the premier institution for mutual funds and asset management. As at the end of July 2015, our funds under management grew by 13.4% to $107.3 billion year over year.

CAPITAL

Total shareholders’ equity grew to $85 billion, increasing by $7.6 billion or 9.8% over July 31, 2014 as a result of internally generated profits. We continue to exceed regulatory capital requirements in all our business lines, and our strong capital position also enables us to take advantage of future growth opportunities.

OUR COMMITMENT TO THE COMMUNITY

During the quarter, Scotiabank made significant donations to the Health and Education sectors. We primarily focused our activities around youth development through a myriad of events in recognition of Child's Month. Under the ScotiaFoundation brand, we sensitized the nation through public service announcements, symposiums and fund raising events about the importance of prioritizing the safety and security of our children. Collaborations were forged as ScotiaFoundation partnered with a host of state agencies to highlight the plight of children across the island especially as it relates to abuse, and hosted the 'Many Rivers To Cross For Our Children' Benefit Dinner in partnership with the Jimmy Cliff Foundation, where over $4.5 million was raised.

We also supported a number of scholars who participated in tertiary level programs overseas. Additionally, ScotiaFoundation contributed to health care through a donation to Rehab Plus Limited and the Scoliosis and Spine Care programme.

Scotia Group Jamaica takes this opportunity to thank all of our stakeholders. To our customers, thank you for your loyalty and your business. To our shareholders, thank you for the commitment, trust and confidence you continue to show in us. Our continued success for over 125 years is as a result of the great execution by our team of skilled and dedicated employees, and we thank them for their professionalism and commitment.

Scotiabank Group

Scotia Group Jamaica Limited
Consolidated Statement of Revenue and Expenses
Period ended July 31, 2015

	For the three months ended			For the period ended	
			Restated		Restated
Unaudited ($ Thousands)	July 2015	April 2015	July 2014	July 2015	July 2014
Interest Income	7,396,065	7,376,253	7,942,420	22,400,871	23,020,911
Interest Expense	(1,391,415)	(1,432,530)	(1,710,630)	(4,369,153)	(4,755,703)
Net Interest Income	6,004,650	5,943,723	6,231,790	18,031,718	18,265,208
Impairment losses on loans	(429,931)	(292,948)	(497,422)	(1,067,083)	(1,376,207)
Net interest income after impairment losses	5,574,719	5,650,775	5,734,368	16,964,635	16,889,001
Net fee and commission income	1,643,054	1,624,289	1,520,432	4,846,337	4,273,548
Insurance revenue	432,690	761,842	660,521	1,719,221	1,819,488
Net gains on foreign currency activities	514,278	278,863	636,601	1,539,655	1,728,317
Net gains on financial assets	15,934	101,860	256,653	188,079	559,178
Other revenue	10,020	12,885	5,415	23,767	21,917
	2,615,976	2,779,739	3,079,622	8,317,059	8,402,448
Total Operating Income	8,190,695	8,430,514	8,813,990	25,281,694	25,291,449
Operating Expenses					
Salaries and staff benefits	2,644,075	2,689,715	2,604,477	8,006,136	7,733,918
Property expenses, including depreciation	498,820	500,415	558,006	1,493,147	1,565,363
Amortisation of intangible assets	26,832	24,329	127,977	76,752	242,366
Asset tax	-	(9,336)	-	1,286,208	483,555
Other operating expenses	1,753,655	1,607,506	1,534,828	5,187,342	4,689,143
	4,923,383	4,812,629	4,825,288	16,049,585	14,714,345
Profit before taxation	3,267,312	3,617,885	3,988,702	9,232,109	10,577,104
Taxation	(954,032)	(1,252,626)	(975,256)	(3,073,545)	(2,602,545)
Profit for the period	2,313,280	2,365,259	3,013,446	6,158,564	7,974,559
Attributable to:-					
Equityholders of the Company	2,253,991	2,298,136	2,918,098	6,006,569	7,715,223
Non-Controlling Interest	59,289	67,123	95,348	151,995	259,336
Earnings per share (cents)	72	74	94	193	248
Return on average equity (annualized)	11.27%	11.84%	15.90%	10.22%	14.33%
Return on assets (annualized)	2.12%	2.22%	2.91%	1.89%	2.56%
Productivity ratio	62.10%	58.53%	57.16%	64.96%	60.34%

Scotiabank Group

Scotia Group Jamaica Limited
Consolidated Statement of Comprehensive Income
Period ended July 31, 2015

	For the three months ended			For the period ended	
Unaudited ($ Thousands)	July 2015	April 2015	Restated July 2014	July 2015	Restated July 2014
Profit for the period	2,313,280	2,365,259	3,013,446	6,158,564	7,974,559
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan / obligations	3,541,731	752,566	(941,404)	4,470,746	177,446
Taxation	(1,180,577)	(250,856)	313,801	(1,490,249)	(59,149)
	2,361,154	501,710	(627,603)	2,980,497	118,297
Items that may be subsequently reclassified to profit or loss:					
Unrealised (losses) / gains on available for sale assets	(263,240)	(135,515)	154,512	(225,408)	161,083
Realised (gains) / losses on available for sale assets	(4,575)	(20,220)	60,798	(45,555)	89,005
Amortisation of fair value reserve on financial instruments reclassified to loans and receivable	2,380	6,715	182,680	15,298	102,601
	(265,435)	(149,020)	397,990	(255,665)	352,689
Taxation	97,655	49,100	(84,496)	121,488	(122,508)
	(167,780)	(99,920)	313,494	(134,177)	230,181
Other comprehensive income, net of tax	2,193,374	401,790	(314,109)	2,846,320	348,478
Total comprehensive income for the period	4,506,653	2,767,049	2,699,337	9,004,884	8,323,037
Attributable to:-					
Equityholders of the Company	4,442,349	2,706,444	2,573,894	8,841,949	8,031,167
Non-Controlling Interest	64,305	60,605	125,443	162,935	291,870

Scotiabank Group

SCOTIA GROUP JAMAICA LTD
Consolidated Statement of Financial Position
July 31, 2015

Unaudited	July 31, 2015	Restated October 31, 2014	Restated July 31, 2014
($ Thousands)			
ASSETS			
CASH RESOURCES	79,680,918	82,482,561	77,366,833
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	845,807	981,731	902,475
INVESTMENT SECURITIES	100,046,052	83,648,910	84,208,383
PLEDGED ASSETS	58,574,327	64,392,080	66,226,875
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	300,516	-
LOANS, AFTER ALLOWANCE FOR IMPAIRMENT LOSSES	148,709,853	145,732,002	144,579,067
OTHER ASSETS			
Customers' liability under acceptances, guarantees and letters of credit	8,128,420	7,630,964	7,390,073
Property, plant and equipment	5,365,521	5,286,427	4,920,966
Deferred taxation	3,098	2,520	1,386
Taxation recoverable	3,083,716	2,270,027	2,265,237
Retirement benefit asset	16,929,067	11,679,613	10,507,979
Other assets	1,874,609	1,346,940	1,379,356
Intangible assets	1,208,217	1,275,971	1,306,619
	36,592,648	29,492,462	27,771,616
TOTAL ASSETS	**424,449,605**	**407,030,262**	**401,055,249**
LIABILITIES			
Deposits by the public	204,079,705	190,726,667	184,894,688
Amounts due to banks and other financial institutions	11,584,102	10,916,319	11,989,655
	215,663,807	201,642,986	196,884,343
OTHER LIABILITIES			
Acceptances, guarantees and letters of credit	8,128,420	7,630,964	7,390,073
Securities sold under repurchase agreements	41,987,526	47,840,197	50,439,190
Capital management and government securities funds	13,175,737	13,003,074	12,592,383
Deferred taxation	5,055,054	3,774,323	3,177,628
Retirement benefit obligation	4,175,378	3,408,465	3,577,982
Other liabilities	7,461,785	6,527,235	6,532,769
	79,983,900	82,184,258	83,710,025
POLICYHOLDERS' LIABILITIES	43,768,824	43,309,571	43,034,034
STOCKHOLDERS' EQUITY			
Share capital	6,569,810	6,569,810	6,569,810
Reserve fund	3,248,591	3,248,591	3,248,591
Retained earnings reserve	19,591,770	16,591,770	16,291,770
Capital reserve	9,383	9,383	9,383
Loan loss reserve	3,241,601	3,202,002	3,077,953
Other reserves	12,892	12,892	12,892
Cumulative remeasurement result from available for sale assets	(25,300)	101,566	75,903
Unappropriated profits	48,943,543	46,748,239	44,786,480
	81,592,290	76,484,253	74,072,782
Non-controlling interest	3,440,784	3,409,194	3,354,065
	85,033,074	79,893,447	77,426,847
TOTAL EQUITY AND LIABILITIES	**424,449,605**	**407,030,262**	**401,055,249**

Director   Director

Scotiabank Group

SCOTIA GROUP JAMAICA LIMITED
Consolidated Statement of Changes in Shareholders' Equity
July 31, 2015

Unaudited ($ Thousands)	Share Capital	Reserve Fund	Retained Earnings Reserve	Capital Reserves	Cumulative Remeasurement result from Available for Sale financial assets	Loan Loss Reserve	Other Reserves	Unappropriated Profits	Total	Non-controlling Interest	Total Equity
Balance as at 31 October 2013	6,569,810	3,248,591	14,391,770	9,383	(463,053)	2,781,066	12,892	42,761,422	69,311,881	3,168,900	72,480,781
Effect of IFRIC 21	-	-	-	-	-	-	-	463,646	463,646	19,909	483,555
Balance as at 31 October 2013 (restated)	6,569,810	3,248,591	14,391,770	9,383	(463,053)	2,781,066	12,892	43,225,068	69,775,527	3,188,809	72,964,336
Net Profit	-	-	-	-	-	-	-	7,715,223	7,715,223	259,336	7,974,559
Other Comprehensive Income											
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	118,297	118,297	-	118,297
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	131,149	-	-	-	131,149	17,872	149,021
Realised losses on available-for-sale securities, net of taxes	-	-	-	-	50,039	-	-	-	50,039	9,748	59,787
reclassified to loans and receivables	-	-	-	-	16,459	-	-	-	16,459	4,914	21,373
Total Comprehensive Income	-	-	-	-	197,647	-	-	7,833,520	8,031,167	291,870	8,323,037
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	1,900,000	-	-	-	-	(1,900,000)	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	296,887	-	(296,887)	-	-	-
Transfer to Unappropriated Profits	-	-	-	-	341,309	-	-	(341,309)	-	-	-
Net movement in reserves for non-controlling interests	-	-	-	-	-	-	-	-	-	4,731	4,731
Dividends Paid	-	-	-	-	-	-	-	(3,733,912)	(3,733,912)	(131,345)	(3,865,257)
Balance as at 31 July 2014 (restated)	6,569,810	3,248,591	16,291,770	9,383	75,903	3,077,953	12,892	44,786,480	74,072,782	3,354,065	77,426,847
Balance as at 31 October 2014	6,569,810	3,248,591	16,591,770	9,383	101,566	3,202,002	12,892	45,591,093	75,327,107	3,375,956	78,703,063
Effect of IFRIC 21	-	-	-	-	-	-	-	1,157,146	1,157,146	33,238	1,190,384
Balance as at 31 October 2014 (restated)	6,569,810	3,248,591	16,591,770	9,383	101,566	3,202,002	12,892	46,748,239	76,484,253	3,409,194	79,893,447
Net Profit	-	-	-	-	-	-	-	6,006,569	6,006,569	151,995	6,158,564
Other Comprehensive Income											
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	2,980,497	2,980,497	-	2,980,497
Unrealised losses on available-for-sale securities, net of taxes	-	-	-	-	(124,776)	-	-	-	(124,776)	11,049	(113,727)
Realised gains on available-for-sale securities, net of taxes	-	-	-	-	(28,195)	-	-	-	(28,195)	(2,454)	(30,649)
Amortization of fair value reserves on financial assets reclassified to loans and receivables	-	-	-	-	7,854	-	-	-	7,854	2,345	10,199
Total Comprehensive Income	-	-	-	-	(145,117)	-	-	8,987,066	8,841,949	162,935	9,004,884
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	3,000,000	-	-	-	-	(3,000,000)	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	39,599	-	(39,599)	-	-	-
Transfer to Unappropriated Profits	-	-	-	-	18,251	-	-	(18,251)	-	-	-
Dividends Paid	-	-	-	-	-	-	-	(3,733,912)	(3,733,912)	(131,345)	(3,865,257)
Balance as at 31 July 2015	6,569,810	3,248,591	19,591,770	9,383	(25,300)	3,241,601	12,892	48,943,543	81,592,290	3,440,784	85,033,074

Scotia Group Jamaica Limited
Condensed Statement of Consolidated Cash Flows
Period ended 31 July 2015

Unaudited *($ Thousands)*	**2015**	**Restated 2014**
Cash flows provided by / (used in) operating activities		
Profit for the year	6,158,564	7,974,559
Items not affecting cash:		
Depreciation	386,335	380,088
Impairment losses on loans	1,067,083	1,376,207
Amortisation of intangible assets	76,752	242,366
Taxation	3,073,545	2,602,545
Net interest income	(18,031,718)	(18,265,208)
(Gain) / loss on disposal of property	(7,513)	1,436
	(7,276,952)	(5,688,007)
Changes in operating assets and liabilities		
Loans	(4,029,786)	(11,106,369)
Deposits	13,469,363	1,073,435
Policyholders reserve	459,253	20,075
Securities sold under repurchase agreement	(5,608,554)	7,611,047
Financial Assets at fair value through profit and loss	132,945	(89,450)
Interest received	22,647,550	23,100,713
Interest paid	(4,562,807)	(4,492,887)
Taxation paid	(2,614,161)	(3,099,237)
Amounts with parent and fellow subsidiaries	(1,768,751)	(4,257,091)
Other	(573,292)	(6,523,447)
	10,274,808	(3,451,218)
Cash flows provided by / (used in) investing activities		
Investments and pledged assets	(11,993,794)	355,216
Winding up of subsidiary	2,316	-
Purchase of property, plant, equipment and intangibles	(475,928)	(678,642)
Proceeds on sale of property, plant and equipment	9,013	6,094
	(12,458,393)	(317,332)
Cash flows used in financing activities		
Dividends paid	(3,865,257)	(3,865,257)
	(3,865,257)	(3,865,257)
Effect of exchange rate on cash and cash equivalents	1,058,915	2,489,552
Net change in cash and cash equivalents	(4,989,927)	(5,144,255)
Cash and cash equivalents at beginning of period	45,384,028	43,106,670
Cash and cash equivalents at end of period	**40,394,101**	**37,962,415**
Represented by :		
Cash resources	79,680,918	77,366,833
Less statutory reserves at Bank of Jamaica	(21,746,613)	(20,170,663)
Less amounts due from Bank of Jamaica greater than ninety days	(2,470,000)	-
Less amounts due from other banks greater than ninety days	(17,686,956)	(20,515,553)
Less accrued interest on cash resources	(75,740)	(55,991)
Pledged assets and repurchase agreements assets less than ninety days	5,051,096	3,266,481
Cheques and other instruments in transit, net	(2,358,604)	(1,928,692)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**40,394,101**	**37,962,415**

Scotiabank Group

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

July 31, 2015
Unaudited

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	2,391,125	12,544,332	4,990,059	2,425,620	3,329,414	668,227	-	26,348,777
Revenues from other segments	(195,877)	(663,315)	728,484	3,193	103,144	42,859	(18,488)	-
Total Revenues	2,195,248	11,881,017	5,718,543	2,428,813	3,432,558	711,086	(18,488)	26,348,777
Expenses	(377,966)	(9,284,478)	(4,612,585)	(1,336,104)	(1,410,032)	(25,910)	(69,593)	(17,116,668)
Profit Before Tax	1,817,282	2,596,539	1,105,958	1,092,709	2,022,526	685,176	(88,081)	**9,232,109**
Taxation								(3,073,545)
Profit for the year								**6,158,564**

Consolidated Balance Sheet

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	113,444,626	95,285,261	67,663,804	69,994,043	54,926,247	23,740,221	(19,599,452)	405,454,750
Unallocated assets								18,994,855
Total Assets								424,449,605
Segment liabilities	7,069,610	120,026,685	110,103,814	55,996,486	44,286,694	130,369	(10,917,824)	326,695,834
Unallocated liabilities								12,720,697
Total liabilities								339,416,531
Other Segment items:								
Capital Expenditure	-	297,056	170,881	5,774	2,217	-	-	475,928
Impairment losses on loans	-	934,510	135,398	(2,825)	-	-	-	1,067,083
Depreciation and amortisation	-	249,143	124,421	82,609	6,914	-	-	463,087

Scotiabank Group

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

July 31, 2014 (Restated)

Unaudited

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	2,498,137	11,647,416	4,709,305	3,222,729	3,470,975	1,119,094	-	26,667,656
Revenues from other segments	(406,510)	(588,106)	901,675	(40,851)	128,514	7,329	(2,051)	-
Total Revenues	2,091,627	11,059,310	5,610,980	3,181,878	3,599,489	1,126,423	(2,051)	26,667,656
Expenses	(219,631)	(8,990,577)	(4,352,926)	(1,230,186)	(1,077,788)	(24,936)	(194,508)	(16,090,552)
Profit Before Tax	1,871,996	2,068,733	1,258,054	1,951,692	2,521,701	1,101,487	(196,559)	**10,577,104**
Taxation								(2,602,545)
Profit for the year								**7,974,559**

Consolidated Balance Sheet

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	97,798,050	88,554,879	70,195,360	72,870,422	53,618,802	26,392,364	(20,110,977)	389,318,900
Unallocated assets								11,736,349
Total Assets								401,055,249
Segment liabilities	10,203,880	111,067,646	101,019,100	59,335,726	43,322,410	150,699	(11,528,584)	313,570,877
Unallocated liabilities								10,057,525
Total liabilities								323,628,402
Other Segment items:								
Capital Expenditure	-	349,967	289,970	24,323	14,382	-	-	678,642
Impairment losses on loans	-	1,239,004	143,762	(6,559)	-	-	-	1,376,207
Depreciation and amortisation	-	243,559	120,347	251,186	7,362	-	-	622,454

1. Identification

Scotia Group Jamaica Limited (the Company) is a 71.78% subsidiary of The Bank of Nova Scotia, which is incorporated and domiciled in Canada and is the ultimate parent.

The Company is the parent of the Bank of Nova Scotia Jamaica Limited (100%), Scotia Investments Jamaica Limited (77.01%) and Scotia Jamaica Micro Finance Limited (100%).

Effective June 30, 2015, Interlink Investments Limited, a 100% subsidiary of Scotia Investments Jamaica Limited was liquidated (refer to note 12).

2. Basis of presentation

The interim condensed 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 consolidated financial statements for the year ended October 31, 2014, which was prepared in accordance with International Financial Reporting Standards, except for the adoption of relevant new standards and interpretations effective as of January 1, 2014. These financial statements are presented in Jamaican dollars, which is the Group's functional currency.

New and revised standards that became effective during the financial year:

IFRIC 21, Levies, effective for accounting periods beginning on or after January 1, 2014 provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It requires an entity to recognise a liability for a levy when and only when the triggering event specified in the legislation occurs. This standard impacted the Group's financial results and was also applied retrospectively in accordance with the transition provisions of the standard, refer to note 10.

Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12- Disclosure of interest in Other Entities and IAS 27- Consolidated and Separate Financial Statements is effective for accounting periods beginning on or after January 1, 2014. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss, instead of consolidating those subsidiaries in its consolidated financial statements. In addition, the amendments introduce new disclosure requirement related to investment entities in IFRS 12, Disclosure of Interests in Other Entities and IAS 27, Separate financial Statements. This standard did not have any effect on the interim financial statements.

Improvements to IFRS 2010-2012 and 2011-2013 cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments applicable to the Group are as follows:

- **IFRS 3, Business Combinations** is amended to clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32, Financial Instruments: Presentation, rather than to any other IFRS. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss. Consequential amendments are also made to IAS 39, Financial Instruments: Recognition and Measurement and IFRS 9, Financial Instruments to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, IAS 37, Provisions, Contingent Liabilities and Contingent Assets is amended to exclude provisions related to contingent consideration of an acquirer. IFRS 3, has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in IFRS 11, Joint Arrangements i.e. including joint operations in the financial statements of the joint arrangements themselves.

2. Basis of presentation (continued)

Improvements to IFRS 2010-2012 and 2011-2013 cycles amendments (continued) :

- **IFRS 13, Fair Value Measurement** is amended to clarify that issuing of the standard and consequential amendments to IAS 39, and IFRS 9, did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

- **IAS 24, Related Party Disclosures** has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

The Improvements to IFRS 2010-2012 and 2011-2013 cycles had no material impact on the Group's interim results.

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. Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss; loans and receivables; held-to-maturity; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Financial Assets at Fair Value through Profit and Loss

This category includes a financial asset acquired principally for the purpose of selling in the short term or if so designated by management.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivable.

Held-to-Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates or equity prices.

Available-for-sale investments and financial assets at fair value through profit and loss are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of trading securities are included in the statement of revenue and expenses in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized directly in the statement of comprehensive income. Interest calculated using the effective interest method is recognized in the statement of revenue and expenses.

4. Pledged Assets

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

($ Millions)

	2015	2014
Investments pledged as collateral for securities sold under repurchase agreements	39,210	46,538
Capital Management and Government Securities funds	9,749	8,385
Securities with regulators, clearing houses and other financial institutions	9,615	11,304
	58,574	66,227

5. 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.

6. Loan loss provision

IFRS loan loss provision is established on the difference between the carrying amount and the recoverable amount of loans. The recoverable amount being the present value of expected future cash flows, discounted based on the interest rate at inception or last reprice date of the loan. Regulatory loan loss provisioning requirements that exceed these amounts are maintained within a loan loss reserve in the equity component of the statement of financial position.

7. Property, plant and equipment

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

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.

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.

9. Employee benefits (continued)

Defined Benefit Plan:
Where a pension asset arises, the amount recognised 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. 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.

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.

Defined contribution plan- contributions to this plan are charged to the statement of revenue and expenses in the period to which they relate.

10. Restatement of Comparative Financial Information

a) Adoption of IFRIC 21, Levies:-
Scotia Group adopted IFRIC 21, Levies, which is effective for annual periods beginning on or after January 1, 2014. IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. The Institute of Chartered Accountants of Jamaica has issued an advisory to clarify the accounting treatment of Asset Tax under IFRIC 21, which indicates that the obligating event for Asset Tax under the Taxation Act is the entity being in existence for any part of the Year of Assessment. Therefore the liability for Asset Tax is triggered on the first day of an entity's financial year which forms the basis period for the Year of Assessment. Consequently, the full liability relating to the Asset Tax for the Group has been accounted for on November 1, 2014, the first day of the 2015 financial year. Prior to IFRIC 21, the asset tax was accrued evenly throughout the financial year. The financial statements for the prior periods were restated to show the effect of these changes on the statement of revenue and expenses and statement of financial position. The impact of IFRIC 21 on the 2015 and 2014 financial statements are outlined below.

b) Reclassification of premium tax
Tax on insurance premium income represents tax on revenues, rather than profits as required by IAS 12, Income Taxes. Premium income tax was therefore reclassified from taxation to operating expenses on the Statement of Revenue and Expenses.

10. Restatement of Comparative Financial Information (continued)

	For the Nine Months Ended					
	Includes IFRIC 21 As reported July 31, 2015	Incremental Effect of IFRIC 21	Excludes IFRIC 21 July 31, 2015	Includes IFRIC 21 Restated July 31, 2014	Incremental Effect of IFRIC 21	Excludes IFRIC 21 As previously reported July 31, 2014
Net Income $'Millions	6,159	315	6,474	7,975	(369)	7,606
Net Income attributable to common shareholders $'Millions	6,007	306	6,313	7,715	(363)	7,352
Earnings per share	$1.93	$0.10	$2.03	$2.48	($0.12)	$2.36
Return on average equity (annualized)	10.22%	0.45%	10.67%	14.33%	-0.59%	13.74%
Return on assets (annualized)	1.89%	0.09%	1.98%	2.56%	-0.12%	2.44%
Productivity ratio	64.96%	-1.22%	63.74%	60.34%	1.13%	61.47%

$'Millions	For the Nine Months Ended				For the Three Months Ended			
	As previously reported July 31, 2014	Effect of IFRIC 21	Reclassification of Premium Tax	Restated July 31, 2014	As previously reported July 31, 2014	Effect of IFRIC 21	Reclassification of Premium Tax	Restated July 31, 2014
Statement of Revenue and Expenses								
Total operating income	25,292	-	-	25,292	8,814	-	-	8,814
Operating expenses	(15,016)	369	(67)	(14,714)	(5,115)	312	(22)	(4,825)
Profit before taxation	10,276	369	(67)	10,578	3,699	312	(22)	3,989
Taxation	(2,670)	-	67	(2,603)	(998)	-	22	(976)
Profit for the period	7,606	369	-	7,975	2,701	312	-	3,013
Statement of Financial Position	As previously reported July 31, 2014	Effect of IFRIC 21	Reclassification of Premium Tax	Restated July 31, 2014	As previously reported October 31, 2014	Effect of IFRIC 21	Reclassification of Premium Tax	Restated October 31, 2014
Total assets	401,055	-	-	401,055	407,030	-	-	407,030
Total liabilities	324,480	(852)		323,628	328,327	(1,190)	-	327,137
Stockholders' equity	76,575	852		77,427	78,703	1,190	-	79,893
	401,055	-	-	401,055	407,030	-	-	407,030

11. Segment reporting

The Group is organized into six main business segments:

- Retail Banking – incorporating personal banking services, personal deposit accounts, credit and debit cards, customer loans and mortgages;
- Corporate and Commercial Banking – incorporating non-personal direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities and foreign currency transactions;
- Treasury – incorporating the Group's liquidity and investment management function, management of correspondent bank relationships, as well as foreign currency trading;
- Investment Management Services- incorporating investments, unit trusts, pension and other fund management, brokerage and advisory services, and the administration of trust accounts.
- Insurance Services – incorporating the provision of life and medical insurance, individual pension administration and annuities;
- Other operations of the Group comprise the parent company and non trading subsidiaries.

Transactions between the business segments are on normal commercial terms and conditions. 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.

12. Liquidation of Subsidiary

Effective June 30, 2015, Interlink Investments Limited, a 100% subsidiary of Scotia Investments Jamaica Limited was liquidated. The details of the assets and liabilities liquidated and proceeds on liquidation were as follows:

($ Thousands)

(a) Analysis of the assets and liabilities on winding-up :

	Interlink Investments Limited
	2015
Cash and cash equivalents	2,316

(b) Net cash inflow on winding-up:

	The Group
	2015
Cash and cash equivalents in subsidiary liquidated	2,316

(c) Gain/(Loss) on winding-up of subsidiary reported in Other Revenue:

	The Group
	2015
Proceeds	2,316
Net assets on winding-up	(2,316)
	-