MEDIA RELEASE

December 2, 2015

DEEPLY ROOTED

SCOTIA GROUP JAMAICA REPORTS 2015 NET INCOME OF $10.1 BILLION

FISCAL 2015 HIGHLIGHTS

- **Net Income of $10.13 billion**
- **Net Income available to common shareholders of $9.92 billion**
- **Shareholders' Equity of $85.3 billion**
- **Earnings per share of $3.19**
- **Return on Average Equity of 12.32%**
- **Productivity ratio of 60.98%**
- **Annual dividends of $1.62 per share**

FOURTH QUARTER 2015 HIGHLIGHTS

- **Net Income of $3.98 billion**
- **Net Income available to common shareholders of $3.91 billion**
- **Earnings per share of $1.26**
- **Return on Average Equity of 18.77%**
- **Productivity ratio of 50.63%**
- **Final quarter dividend of 42 cents per share**

Scotia Group reports net income of $10.1 billion for the year ended October 31, 2015, representing a return on average equity of 12.32%. This compares with the restated net income of $10.8 billion for the year ended October 31, 2014, and return on average equity of 14.23%. The results were impacted by higher Asset Tax expense of $803 million from 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, Q4 2015, was $3.98 billion, which is $1.7 billion above the previous quarter, and $1.1 billion above Q4 2014. This was due mainly to the one-time release of accumulated actuarial provisions resulting from the changes to the income tax regime for insurance companies. Total comprehensive income for the year amounted to $14.0 billion, an increase of $1.9 billion or 15.8%, contributing to the growth in Shareholders' Equity to $85.3 billion.

The Board of Directors today approved a final dividend of 42 cents per stock unit payable on January 15, 2016, to stockholders on record at December 23, 2015.

Jackie Sharp, President & CEO said, "We are proud of the performance in our core business lines over the last year. Our loan portfolio grew by $5.8 billion or 4% quarter over quarter, and $8.8 billion or 6% year over year. Deposits by the public grew by $5.4 billion or 3% quarter over quarter, and $18.7 billion or 10% year over year. The strength of our Group is also demonstrated in the growth in revenues from our core insurance and asset management business lines, as we continued to acquire new customers and deepen existing customer relationships.

We executed a number of initiatives this year to increase operating efficiencies and to make it easier for customers to do business with us through alternate delivery channels. In addition, remaining true to our core purpose of making customers financially better off, we focused on delivering sound financial advice during the quarter through a series of information sessions to educate the country about the implications of Credit Bureaus, and the importance of maintaining a good credit score."

Scotiabank Group

For further information contact: Frederick Williams, Executive Vice President and Chief Financial Officer/Chief Administrative Officer
• Email: frederick.williams@scotiabank.com

GROUP FINANCIAL PERFORMANCE

TOTAL REVENUES

Total revenues excluding impairment losses on loans for the twelve months ended October 31,2015 was $36.5 billion, an increase of $1.06 million or 3.0% over prior year. For this quarter, Q4 2015, total revenue of $10,153 million was above Q3 2015 by $1.53 billion or 17.8%. The diversified earning stream for the Group continues to provide sustainable revenues from each business line as outlined below:

J$ Million	2015 Revenue	% Contribution
Treasury	2,946	8%
Retail Banking	16,131	44%
Corporate Banking	7,707	21%
Investment Management Services	3,211	9%
Insurance Services	5,530	15%
Other	976	3%
Total Revenues	36,501	100%

NET INTEREST INCOME AFTER IMPAIRMENT LOSSES

Net interest income after impairment losses for the year was $22.9 billion, marginally above 2014. Our strong risk management culture has resulted in a reduction in the impairment losses on loans by $241 million or 15.0%, due to enhanced adjudication, monitoring and collection efforts. The Group continues to report strong growth in loan volumes during the year, particularly our Residential Mortgages, Consumer, Small Business 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 year amounted to $12.2 billion, an increase of $1.3 billion or 11.9% compared to 2014, and $1.29 billion or 49.5% above the previous quarter. Net fee and commission income increased by $634 million or 10.8% year over year, primarily due to increased transaction volumes across all services, which was more pronounced in our credit card and merchant service business segments. The Group also reported increased insurance revenue of $890 million due to higher actuarial releases, due mainly to the one-time release of accumulated actuarial provisions resulting from the changes to the income tax regime for insurance companies.

OPERATING EXPENSES AND PRODUCTIVITY

Operating Expenses for the twelve months ended October 31, 2015 amounted to $20.9 billion, an increase of $1.42 billion or 7.29% compared to prior 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 October 2015, compared to $484 million for October 2014, an increase of $803 million or 166%. Excluding the impact of Asset Tax, operating expenses would have increased by $617 million or 3.3%, which is consistent with the level of inflation year over year. The Group continues to focus on executing various initiatives to drive greater efficiencies, and manage long term operating costs. Our productivity ratio was 60.98% for 2015, compared to 59.48% for the same period as at October 31, 2014.

GROUP FINANCIAL CONDITION

ASSETS

Total assets increased year over year by $25.9 billion or 6.4% to $433 billion as at October 31, 2015. The growth was primarily attributable to increases of $8.8 billion or 6.0% in Loans, net of allowance for impairment losses, $11.4 billion or 7.7% in investment and pledged assets and $9.2 billion in other assets resulting from higher Retirement Benefit Asset on our defined benefit plan pension scheme.

Loans, after allowance for impairment losses amounted to $154.5 billion as at October 31, 2015. Non-performing loans (NPLs) at October 31, 2015 totaled $4.5 billion, representing 2.88% of total gross loans down from 3.32 % last year, and 3.10% as at July 31, 2015. The Group’s aggregate loan loss provision as at the year-end was $5.1 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 $316 billion, an increase of $10.4 billion or 3.4% compared to 2014. A significant portion of the growth was reflected in core deposits, which grew by 9.8% year over year, as customers continue to reflect confidence in the strength of the Group. 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 October 31, 2015, our funds under management grew by 15.47% to $111.5 billion year over year.

CAPITAL

Shareholders’ equity available to common shareholders grew to $85.3 billion, increasing by $8.8 billion or 11.5% over October 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 manage increased capital adequacy requirements in the future, and take advantage of growth opportunities.

OUR COMMITMENT TO THE COMMUNITY

Our commitment to the communities where we live and work was strengthened by donations totaling $9.8 million during the quarter, through ScotiaFoundation and the Group. This was also supported by the thousands of hours contributed by ScotiaVolunteers to community service for charitable organizations and activities.

In Student Care, we contributed $4.8 million to fund ScotiaFoundation Shining Star Scholarships, at the secondary and tertiary levels for new and continuing scholars. Our breakfast programme was also rebranded to 'Nutrition For Learning Programme' as we provide breakfast and lunch for approximately 1,400 students in nine schools daily. These include, Bamboo Primary & Drapers All Age in St. Ann; Norwich Primary in Portland; and Whitfield Town Primary, St. Michael's Primary, Allman Town Primary, Denham Town Primary, Holy Family Primary and Elim Early Childhood Development Center in Kingston and St. Andrew.

During the quarter, corrective Scoliosis Surgeries were conducted for 8 teenagers at the Kingston Public Hospital. ScotiaFoundation provided $3.0 million to cover the cost of implants for six of the surgeries, along with our partner and supplier of the implants Medical Technologies Limited funded the other two surgeries.

In Community Care, the Foundation also made donations totaling $2.0 million in support of several charitable organisations and activities.

In October 2015, Scotiabank participated in welcoming of Her Royal Highness, The Princess Royal, with the hosting of the closing dinner of Caribbean-Canada Emerging Leaders' Dialogue at the Jamaica Pegasus Hotel. Jamaica was the venue for the culmination of the two week study tour of the fourteen Caribbean countries and Canada by approximately 60 leaders from various sectors.

Awards

Junior Achievement Jamaica recognized Scotiabank Jamaica with the Inspiration Award at its 3rd Annual Champions for Youth. This was in recognition of Scotiabankers teaching over 4,000 students during Teachers' Day and the Girls Empowered for Motherhood and Success, GEMS, project reaching 235 teenage mothers at the Women's Center Foundation of Jamaica. Over 109 ScotiaVolunteers from 11 branches participated.

Additionally, Scotiabank received the President's Volunteer Service Award signed by Barack Obama from the hands of Junior Achievement Americas, for our corporate volunteering hours provided to Junior Achievement's programmes in the region. Scotiabank was recognized in the Bronze Category. Scotiabank also received Nation Builders Award (Bronze) for our contribution to United Way of Jamaica in 2014.

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 126 years of unbroken service to Jamaica 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
Year ended October 31, 2015

	For the three months ended			For the year ended	
($ Thousands)	October 2015	July 2015	Restated October 2014	October 2015	Restated October 2014
Interest Income	7,640,217	7,396,065	7,844,723	30,041,088	30,865,634
Interest Expense	(1,397,107)	(1,391,415)	(1,599,599)	(5,766,260)	(6,355,302)
Net Interest Income	6,243,110	6,004,650	6,245,124	24,274,828	24,510,332
Impairment losses on loans	(294,791)	(429,931)	(226,874)	(1,361,874)	(1,603,081)
Net interest income after impairment losses	5,948,319	5,574,719	6,018,250	22,912,954	22,907,251
Net fee and commission income	1,644,508	1,643,054	1,583,705	6,490,845	5,857,253
Insurance revenue	1,484,711	432,690	494,560	3,203,932	2,314,048
Net gains on foreign currency activities	665,799	514,278	233,745	2,205,454	1,962,062
Net gains on financial assets	105,336	15,934	210,233	293,415	769,411
Other revenue	9,110	10,020	1,735	32,877	23,652
	3,909,464	2,615,976	2,523,978	12,226,523	10,926,426
Total Operating Income	9,857,783	8,190,695	8,542,228	35,139,477	33,833,677
Operating Expenses					
Salaries and staff benefits	2,647,899	2,644,075	2,606,899	10,654,035	10,340,817
Property expenses, including depreciation	556,519	498,820	585,793	2,049,666	2,151,156
Amortisation of intangible assets	25,592	26,832	13,260	102,344	255,626
Asset tax	-	-	-	1,286,208	483,555
Other operating expenses	1,615,746	1,753,656	1,555,494	6,803,088	6,244,637
	4,845,756	4,923,383	4,761,446	20,895,341	19,475,791
Profit before taxation	5,012,027	3,267,312	3,780,782	14,244,136	14,357,886
Taxation	(1,036,586)	(954,032)	(929,913)	(4,110,131)	(3,532,458)
Profit for the year	3,975,441	2,313,280	2,850,869	10,134,005	10,825,428
Attributable to:-					
Equityholders of the Company	3,914,860	2,253,991	2,742,486	9,921,429	10,457,709
Non-Controlling Interest	60,581	59,289	108,383	212,576	367,719
Earnings per share (cents)	126	72	88	319	336
Return on average equity (annualized)	18.77%	11.27%	14.57%	12.32%	14.23%
Return on assets (annualized)	3.62%	2.12%	2.53%	2.29%	2.57%
Productivity ratio	50.63%	62.10%	56.89%	60.98%	59.48%

Scotiabank Group

Scotia Group Jamaica Limited
Consolidated Statement of Comprehensive Income
Year ended October 31, 2015

	For the three months ended			For the year ended	
($ Thousands)	October 2015	July 2015	Restated October 2014	October 2015	Restated October 2014
Profit for the year	3,975,441	2,313,280	2,850,869	10,134,005	10,825,428
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plan / obligations	1,194,297	3,541,731	1,358,177	5,665,043	1,535,623
Taxation	(400,130)	(1,180,577)	(452,725)	(1,890,379)	(511,874)
	794,167	2,361,154	905,452	3,774,664	1,023,749
Items that may be subsequently reclassified to profit or loss:					
Unrealised (losses) / gains on available for sale assets	294,080	(263,240)	80,623	68,672	241,706
Realised (gains) / losses on available for sale assets	195	(4,575)	(55,407)	(45,359)	33,598
Amortisation of fair value reserve on financial instruments reclassified to loans and receivable	-	2,380	13,312	15,297	115,913
	294,275	(265,435)	38,528	38,610	391,217
Taxation	(80,984)	97,655	(39,831)	40,504	(162,339)
	213,291	(167,780)	(1,303)	79,114	228,878
Other comprehensive income, net of tax	1,007,458	2,193,374	904,149	3,853,778	1,252,627
Total comprehensive income for the year	4,982,899	4,506,654	3,755,018	13,987,783	12,078,055
Attributable to:-					
Equityholders of the Company	4,909,579	4,442,349	3,656,108	13,751,528	11,687,275
Non-Controlling Interest	73,320	64,305	98,910	236,255	390,780

Scotiabank Group

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

Unaudited	October 31, 2015	Restated October 31, 2014	Restated October 31, 2013
($ Thousands)			
ASSETS			
CASH RESOURCES	79,229,042	82,482,561	74,882,563
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	844,397	981,731	813,101
INVESTMENT SECURITIES	105,436,140	83,648,910	92,835,059
PLEDGED ASSETS	54,040,788	64,392,080	59,028,856
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	150,058	300,516	-
LOANS, AFTER ALLOWANCE FOR IMPAIRMENT LOSSES	154,499,373	145,732,002	134,823,756
OTHER ASSETS			
Customers' liability under acceptances, guarantees and letters of credit	10,693,915	7,630,964	7,173,614
Property, plant and equipment	5,337,996	5,286,427	4,679,879
Deferred taxation	29,125	2,520	34,349
Taxation recoverable	3,238,782	2,270,027	2,499,165
Retirement benefit asset	16,690,244	11,679,613	10,020,169
Other assets	1,523,568	1,346,940	970,319
Intangible assets	1,218,517	1,275,971	1,499,675
	38,732,147	29,492,462	26,877,170
TOTAL ASSETS	**432,931,945**	**407,030,262**	**389,260,505**
LIABILITIES			
Deposits by the public	209,461,602	190,726,667	183,369,415
Amounts due to banks and other financial institutions	11,027,273	10,916,319	14,152,481
	220,488,875	201,642,986	197,521,896
OTHER LIABILITIES			
Acceptances, guarantees and letters of credit	10,693,915	7,630,964	7,173,614
Securities sold under repurchase agreements	39,832,452	47,840,197	42,588,792
Capital management and government securities funds	12,714,643	13,003,074	13,018,564
Deferred taxation	5,531,012	3,774,323	3,038,539
Retirement benefit obligation	2,735,526	3,408,465	3,224,811
Assets held in trust on behalf of participants	-	-	38,316
Other liabilities	9,095,688	6,527,235	6,677,678
	80,603,236	82,184,258	75,760,314
POLICYHOLDERS' LIABILITIES	43,112,279	43,309,571	43,013,959
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	20,591,770	16,591,770	14,391,770
Capital reserve	9,383	9,383	9,383
Loan loss reserve	3,204,491	3,202,002	2,781,066
Other reserves	12,892	12,892	12,892
Cumulative remeasurement result from available for sale assets	175,252	101,566	(463,053)
Unappropriated profits	51,445,043	46,748,239	43,225,068
	85,257,232	76,484,253	69,775,527
Non-controlling interest	3,470,323	3,409,194	3,188,809
	88,727,555	79,893,447	72,964,336
TOTAL EQUITY AND LIABILITIES	**432,931,945**	**407,030,262**	**389,260,505**

Sylvia S. Chrominska
Director

Director

Scotiabank Group

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

($ 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	-	-	-	-	-	-	-	10,457,709	10,457,709	367,719	10,825,428
Other Comprehensive Income											
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	1,023,749	1,023,749	-	1,023,749
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	178,050	-	-	-	178,050	14,931	192,981
Realised losses on available-for-sale securities, net of taxes	-	-	-	-	4,473	-	-	-	4,473	1,176	5,649
reclassified to loans and receivables	-	-	-	-	23,294	-	-	-	23,294	6,954	30,248
Total Comprehensive Income	-	-	-	-	205,817	-	-	11,481,458	11,687,275	390,780	12,078,055
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	2,200,000	-	-	-	-	(2,200,000)	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	420,936	-	(420,936)	-	-	-
Transfer to Unappropriated Profits	-	-	-	-	358,802	-	-	(358,802)	-	-	-
Net movement in reserves for non-controlling interests	-	-	-	-	-	-	-	-	-	4,731	4,731
Dividends Paid	-	-	-	-	-	-	-	(4,978,549)	(4,978,549)	(175,126)	(5,153,675)
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
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	-	-	-	-	-	-	-	9,921,429	9,921,429	212,576	10,134,005
Other Comprehensive Income											
Re-measurement of defined benefit plan/obligations	-	-	-	-	-	-	-	3,774,664	3,774,664	-	3,774,664
Unrealised gains on available-for-sale securities, net of taxes	-	-	-	-	75,205	-	-	-	75,205	24,030	99,235
Realised gains on available-for-sale securities, net of taxes	-	-	-	-	(27,624)	-	-	-	(27,624)	(2,696)	(30,320)
Amortization of fair value reserves on financial assets											
reclassified to loans and receivables	-	-	-	-	7,854	-	-	-	7,854	2,345	10,199
Total Comprehensive Income	-	-	-	-	55,435	-	-	13,696,093	13,751,528	236,255	13,987,783
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	4,000,000	-	-	-	-	(4,000,000)	-	-	-
Transfer to Loan Loss Reserve	-	-	-	-	-	2,489	-	(2,489)	-	-	-
Transfer to Unappropriated Profits	-	-	-	-	18,251	-	-	(18,251)	-	-	-
Dividends Paid	-	-	-	-	-	-	-	(4,978,549)	(4,978,549)	(175,126)	(5,153,675)
Balance as at 31 October 2015	6,569,810	3,248,591	20,591,770	9,383	175,252	3,204,491	12,892	51,445,043	85,257,232	3,470,323	88,727,555

Scotiabank Group

Scotia Group Jamaica Limited
Condensed Statement of Consolidated Cash Flows
Year ended 31 October 2015

($ Thousands)	2015	Restated 2014
Cash flows provided by / (used in) operating activities		
Profit for the year	10,134,005	10,825,428
Items not affecting cash:		
Depreciation	516,603	488,788
Impairment losses on loans	2,791,292	2,756,012
Amortisation of intangible assets	102,344	255,626
Taxation	4,110,131	3,532,458
Net interest income	(24,274,828)	(24,510,332)
(Gain) / loss on disposal of property	(4,019)	37,037
	(6,624,472)	(6,614,983)
Changes in operating assets and liabilities		
Loans	(11,497,334)	(13,696,968)
Deposits	18,415,991	7,331,424
Policyholders reserve	(197,292)	295,611
Securities sold under repurchase agreement	(7,765,516)	5,025,401
Financial Assets at fair value through profit and loss	134,301	(165,680)
Interest received	30,250,916	30,997,566
Interest paid	(5,987,150)	(6,126,856)
Taxation paid	(3,414,748)	(3,988,880)
Amounts with parent and fellow subsidiaries	(2,667,830)	(5,633,667)
Other	99,570	(6,542,616)
	10,746,436	880,352
Cash flows provided by / (used in) investing activities		
Investments and pledged assets	(15,573,647)	5,421,830
Purchase of property, plant, equipment and intangibles	(618,056)	(1,170,390)
Proceeds on sale of property, plant and equipment	9,013	6,094
	(16,182,690)	4,257,534
Cash flows used in financing activities		
Dividends paid	(5,153,675)	(5,153,675)
	(5,153,675)	(5,153,675)
Effect of exchange rate on cash and cash equivalents	1,560,499	2,293,147
Net change in cash and cash equivalents	(9,029,430)	2,277,358
Cash and cash equivalents at beginning of year	45,384,028	43,106,670
Cash and cash equivalents at end of year	**36,354,598**	**45,384,028**
Represented by :		
Cash resources	79,229,042	82,482,561
Less statutory reserves at Bank of Jamaica	(22,777,227)	(20,019,689)
Less amounts due from Bank of Jamaica greater than ninety days	(1,740,000)	(3,045,000)
Less amounts due from other banks greater than ninety days	(18,084,451)	(18,506,509)
Less accrued interest on cash resources	(38,445)	(56,872)
Pledged assets and repurchase agreements assets less than ninety days	2,183,503	6,260,583
Cheques and other instruments in transit, net	(2,417,824)	(1,731,046)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**36,354,598**	**45,384,028**

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

October 31, 2015

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	3,192,934	17,042,990	6,715,902	3,215,418	5,391,097	943,010	-	36,501,351
Revenues from other segments	(246,812)	(911,971)	991,410	(4,080)	138,320	61,423	(28,290)	-
Total Revenues	2,946,122	16,131,019	7,707,312	3,211,338	5,529,417	1,004,433	(28,290)	36,501,351
Expenses	(414,263)	(12,304,486)	(6,000,734)	(1,703,436)	(1,704,806)	(37,257)	(92,233)	(22,257,215)
Profit Before Tax	2,531,859	3,826,533	1,706,578	1,507,902	3,824,611	967,176	(120,523)	**14,244,136**
Taxation								(4,110,131)
Profit for the year								**10,134,005**

Consolidated Balance Sheet

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	116,285,242	98,162,976	72,867,345	68,824,215	55,890,030	22,926,630	(20,512,341)	414,444,097
Unallocated assets								18,487,848
Total Assets								432,931,945
Segment liabilities	5,568,900	121,933,084	116,918,702	54,673,212	43,655,947	140,685	(11,796,798)	331,093,732
Unallocated liabilities								13,110,658
Total liabilities								344,204,390
Other Segment items:								
Capital Expenditure	-	325,372	251,691	25,149	15,844	-	-	618,056
Impairment losses on loans	-	1,306,402	58,346	(2,874)	-	-	-	1,361,874
Depreciation and amortisation	-	332,463	165,842	110,287	10,355	-	-	618,947

SCOTIA GROUP JAMAICA LIMITED

Segment Reporting Information

Consolidated Statement of Income

October 31, 2014 (Restated)

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Net External Revenues	3,240,169	15,806,392	6,357,492	4,231,670	4,583,861	1,217,174	-	35,436,758
Revenues from other segments	(480,633)	(785,997)	1,160,390	(64,084)	164,980	10,574	(5,230)	-
Total Revenues	2,759,536	15,020,395	7,517,882	4,167,586	4,748,841	1,227,748	(5,230)	35,436,758
Expenses	(253,824)	(11,912,140)	(5,682,180)	(1,561,196)	(1,428,258)	(37,025)	(204,249)	(21,078,872)
Profit Before Tax	2,505,712	3,108,255	1,835,702	2,606,390	3,320,583	1,190,723	(209,479)	**14,357,886**
Taxation								(3,532,458)
Profit for the year								**10,825,428**

Consolidated Balance Sheet

($ Thousands)	Treasury	Retail Banking	Corporate Banking	Investment Management Services	Insurance Services	Other	Eliminations	Group Total
Segment assets	100,479,999	90,019,053	69,792,560	72,314,291	54,035,771	26,453,962	(19,100,285)	393,995,351
Unallocated assets								13,034,911
Total Assets								407,030,262
Segment liabilities	8,976,846	111,113,876	104,573,035	58,529,023	43,622,700	179,518	(10,485,719)	316,509,279
Unallocated liabilities								10,627,536
Total liabilities								327,136,815
Other Segment items:								
Capital Expenditure	-	592,101	530,753	25,828	21,708	-	-	1,170,390
Impairment losses on loans	-	1,551,628	58,422	(6,969)	-	-	-	1,603,081
Depreciation and amortisation	-	313,469	156,141	264,826	9,978	-	-	744,414

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%), 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	44,708	54,839
Capital Management and Government Securities funds	8,620	9,019
Securities with regulators, clearing houses and other financial institutions	713	534
	54,041	64,392

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.

SCOTIA GROUP JAMAICA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2015

10. Restatement of Comparative Financial Information (continued)

$'Millions	As previously reported October 31, 2014 (For the Twelve Months Ended)	Effect of IFRIC 21 (For the Twelve Months Ended)	Restated October 31, 2014 (For the Twelve Months Ended)	As previously reported October 31, 2014 (For the Three Months Ended)	Effect of IFRIC 21 (For the Three Months Ended)	Restated October 31, 2014 (For the Three Months Ended)
Statement of Revenue and Expenses						
Total operating income	33,834	0	33,834	8,542	0	8,542
Operating expenses	(20,183)	706	(19,477)	(5,166)	405	(4,761)
Profit before taxation	13,651	706	14,357	3,376	405	3,781
Taxation	(3,532)	-	(3,532)	(863)	-	(930)
Profit for the period	10,119	706	10,825	2,513	405	2,851
Statement of Financial Position	As previously reported October 31, 2014	Effect of IFRIC 21	Restated October 31, 2014	As previously reported October 31, 2013	Effect of IFRIC 21	Restated October 31, 2013
Total assets	407,030	-	407,030	389,261	-	389,261
Total liabilities	328,327	(1,190)	327,137	316,780	(483)	316,297
Stockholders' equity	78,703	1,190	79,893	72,481	483	72,964
	407,030	-	407,030	389,261	-	389,261

11. 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, mortgages and microfinance;
- Corporate and Commercial Banking – this incorporates non-personal direct debit facilities, current accounts, deposits, overdrafts, loans and other credit facilities and foreign currency activities;
- Treasury – this incorporates the Group's liquidity and investment management function, management of correspondent bank relationships, as well as foreign currency 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 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, and cash and cash equivalents of $2,316,000 was transferred to the company on liquidation.