MEDIA RELEASE

March 9, 2023

SCOTIA GROUP JAMAICA REPORTS

FIRST QUARTER OF FISCAL 2023 RESULTS

Scotia Group reports net income of $3.4 billion for the quarter ended January 31, 2023, representing an increase of $2.2 billion or 172.9% over the comparative prior year period. 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.

In keeping with our commitment to deliver shareholder value, the Board of Directors approved a dividend of 25 cents per stock unit in respect of the first quarter, which is payable on April 20, 2023, to stockholders on record as at March 29,2023.

In response to the company's performance, Audrey Tugwell Henry, President and CEO, Scotia Group commented "I am very pleased to announce extremely strong results for the Scotia Group this quarter. Our results signal our customers' confidence in us to support their financial objectives. Throughout our rich history, Scotiabank has built its reputation on trust and expertise and we continue to build on that legacy.

Our growth is a direct result of the successful execution of our Customer First and Winning Team strategic imperatives. Over the period under review, we have seen growing interest in our products and services resulting in strong performances across business lines. Total deposits increased by 8% over prior year as customers continue to place their funds with us. We continue to see growth in both consumer and business loans as a result of the quality of our products coupled with our highly competitive rates. Our total loan portfolio increased by 19% over the previous year. Commercial loans grew by 17% versus last year as our corporate and commercial banking team worked with their customers to meet their financing needs. Similarly, retail loans grew by 19% year over year, as we supported our retail customers to finance their needs for personal acquisitions including home ownership. Of note, our Scotia Plan Loans increased by 15% and we continue to see impressive growth in our mortgage portfolio which increased by 32% versus the prior year.

Scotia Insurance delivered strong results during the quarter recording a 5% increase in gross written premiums and a 12% increase in creditor life premiums year over year. We believe there is still more opportunity in this area of our business, as we are aware that a significant percentage of Jamaicans are either underinsured or have no insurance to protect them from unforeseen circumstances. Therefore, we continue to educate our customers on the importance and benefits of life insurance and individual retirement solutions when setting their financial objectives.

During the quarter, we piloted our general insurance products which include coverage for home, home contents and automobiles through our newest subsidiary, Scotia General Insurance Agency (SGIA) which operates under the brand name - Scotia Protect. Scotia Protect offers an end-to-end digital experience to ensure customer convenience as well as extremely attractive rates and benefits. The pilot leveraged our experience from digital banking and the results were highly positive. All (SGIA) policies are underwritten by GK General Insurance, and we are very confident that this new business will be highly successful.

Our team at Scotia Investments continues to deliver value to our customers by helping them manage their portfolios to build wealth. In December, we enhanced our digital capabilities by allowing customers to view their portfolio statements via our Scotia mobile banking platform. This feature will greatly enhance customer convenience and allow them to monitor, maintain and easily retrieve up-to-date monthly records of their investments with us.

Our digital strategy underscores every part of our business. Initiatives undertaken during the quarter include further enhancements to our online banking platforms to allow customers to easily pay their taxes to Tax Administration Jamaica. Utilization of our digital channels continues to grow as customers opt for the convenience and functionality offered across our digital platforms. As at the end of the quarter 45% of all banking customers were enrolled in online platforms. Online banking now represents our most used channel with 39% of total transactions being conducted online and only 2% within our branches. Digital sales also continues to grow and currently represents 36% of total sales for the Bank. Digital transformation remains a key differentiator for the Group, and we will continue to invest in this area to maintain our competitive advantage.

Top performing staff were once again celebrated in our Best of the Best staff awards in December. The cultivation of a Winning Team culture is our second strategic pillar. Various programmes for ongoing education and development have been rolled out across the organization and we believe investing in our people is critical for us to continue to distinguish ourselves in the market. Additionally, in December, Scotiabank was again certified as a great place to work by the Great Place to Work Institute.

Scotiabank's approach to Environmental, Social and Governance (ESG) focuses on 4 pillars

- Environmental Action
- Economic Resilience
- Inclusive Society and Leadership
- Governance

We have been implementing initiatives across these pillars to make a positive impact. In furtherance of the Environmental Action pillar, we have been developing a suite of sustainable energy loans for retail customers which will assist them to purchase hybrid or electric vehicles as well as green energy home loans. These products will be available to customers in the coming months.

We are helping to build Economic Resilience through social interventions programmes, such as our recent sponsorship of Project STAR and donations to United Way of Jamaica for children in state care. In December, Scotia Group also hosted a seminar for young persons with disabilities to help them prepare for employment opportunities. Diversity, Equity and Inclusion (DEI) factor strongly in our corporate culture and our employees with disabilities proudly participated in the seminar. An important DEI milestone for us last year was the introduction of the Scotiabank Women Initiative. We proudly celebrated the first anniversary of this Initiative in January. Since inception, over 400 women have benefitted from ongoing business education initiatives and $300 million has been dispersed in loans to women-led or women-owned businesses.

The Group also continues to pursue the highest standards in Governance and during the quarter we continued executing on our Board succession planning process; a comprehensive Director Orientation programme for our newest Directors and rolled out a full year Directors Education Calendar.

We will continue to focus on our people, our platforms and our products to ensure that we remain a leading financial institution in Jamaica. I would like to thank all Scotiabankers for their hard work and commitment to excellence and our Board of Directors for their exemplary guidance. Thank you also to our shareholders for their trust in us and all our customers for choosing us as their financial partner."

GROUP FINANCIAL PERFORMANCE

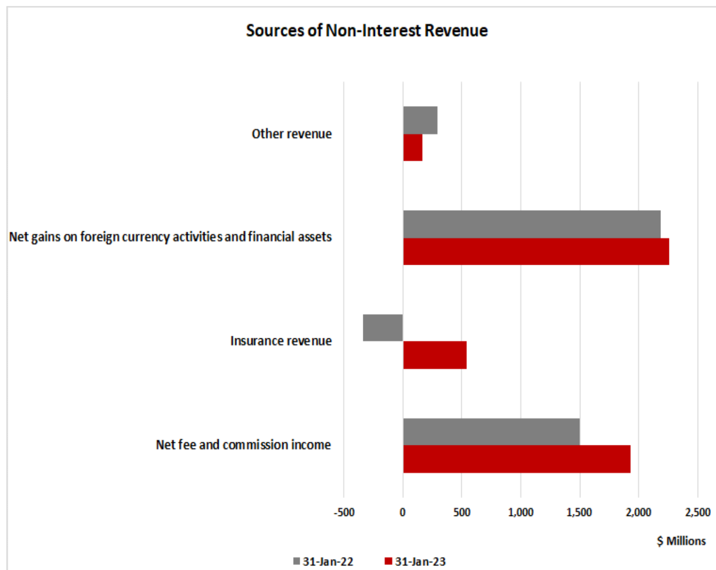
TOTAL REVENUES

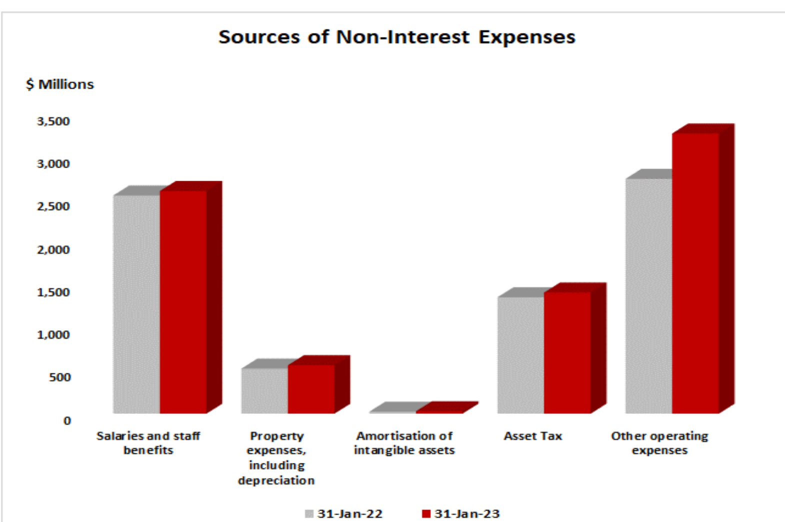
Total revenues excluding expected credit losses for the three months ended January 31, 2023, grew by $3.8 billion to $13.8 billion reflecting an increase of 38.1% over the prior year period. This was primarily driven by an increase in net interest income of $2.6 billion stemming from the strong growth in our loan portfolio, higher insurance revenue as well as higher fee and commission income earned given the significant increase in transaction volumes. Total insurance finance expenses reflected an increase of $87.4 million / 86.6% due to the higher insurance contract liabilities.

OTHER REVENUE

Other income, defined as all income other than interest income increased by $1.3 billion or 34.5%

- Net insurance revenue increased by $877.2 million or 258.2% from negative $399.7 million[1] to $537.5 million 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 year amounted to $1.9 billion and showed an increase of $431.3 million or 28.7% given an increase in customer transactions and business activities.
- Net gains on foreign currency activities and financial assets amounted to $2.3 billion reflecting a year over year increase of $73.5 million or 3.4%





OPERATING EXPENSES

Operating expenses continue to be anchored by the Group's expense management initiatives and totaled $7.9 billion as at January 2023 reflecting an increase of $681.3 million or 9.5% 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 a loss of $339.7 million (previously reported – gain of $722.7 million). See note 11 for details on the restatement.

CREDIT QUALITY

Expected credit losses for the period showed an increase of $59.3 million or 10.4% when compared to Q1 2022 in line with the growth in our loan portfolio. 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 January 2023 totaled $4.1 billion compared to $4.7 billion as at January 2022. This represents a reduction of $596.2 million or 12.7%. The Group's NALs represent 1.7% of gross loans when compared to January 2022 (2.3%) and 0.7% of total assets (January 2022 – 0.8%). 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 January 2023 was $5.8 billion, representing 142.9% coverage of total non-performing loans.

GROUP FINANCIAL CONDITION

ASSETS

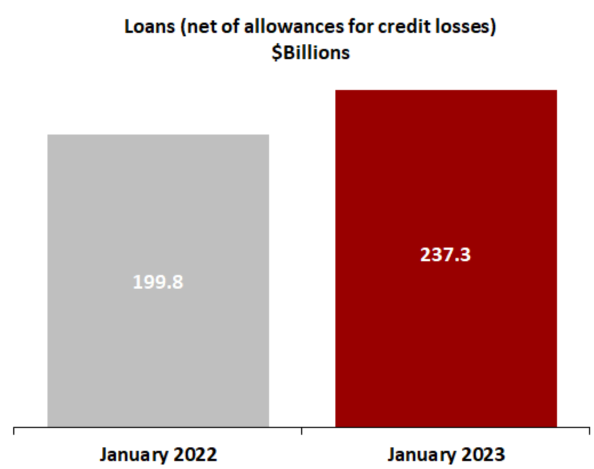
The Group's asset base grew by $13.1 billion or 2.2% to $604.4 billion as at January 2023. This was predominantly as a result of the significant growth on our loan portfolio of $37.6 billion or 18.8%. This was partially offset by a reduction in other assets of $18.1 billion or 35.5% on account of the lower carrying value of the retirement benefit asset as well as lower cash resources of $5.7 billion or 3.3%.

Cash Resources

Our cash resources held to meet statutory reserves and the Group's prudential liquidity targets stood at $166.8 billion and reflected a year over year decrease of $5.7 billion or 3.3%. Cash resources held were used to fund our growing loan portfolio and placed on investment. 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 $37.6 billion or 18.8% compared to January 2022, with loans net of allowances for credit losses increasing to $237.3 billion. Our core loan book continues to perform well with mortgages increasing year over year by 32%, consumer loans by 15% and commercial loans by 17%.

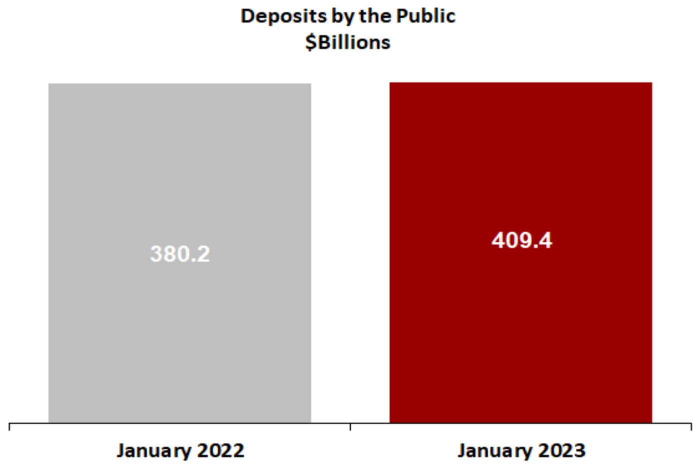


LIABILITIES

Total liabilities were $499.2 billion as at January 2023 and showed an increase of $22.2 billion or 4.7%. The increase noted was driven mainly by increased customer deposits.

Deposits

Deposits by the public increased to $409.4 billion, up from $380.2 billion as at January 2022. The $29.2 billion or 7.7% 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 $3.7 billion or 20.3%. Our strategic focus continues to be geared towards growing our off-balance sheet business, namely, mutual funds and unit trusts. As at January 2023 our asset management portfolios showed a reduction of $3.5 billion or 1.8% 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 $49.1 billion as at January 2023 and reflected a year over year increase of $1.8 billion or 3.8%. Our segregated fund balance primarily relates to our Scotia Affirm product which continues to perform well, growing by $219.6 million or 26.1% year over year. The increase noted was attributable to our efforts in making more Jamaicans aware of the value of insurance as part of their overall financial plan coupled with the improved performance of the stock market.

Other Liabilities

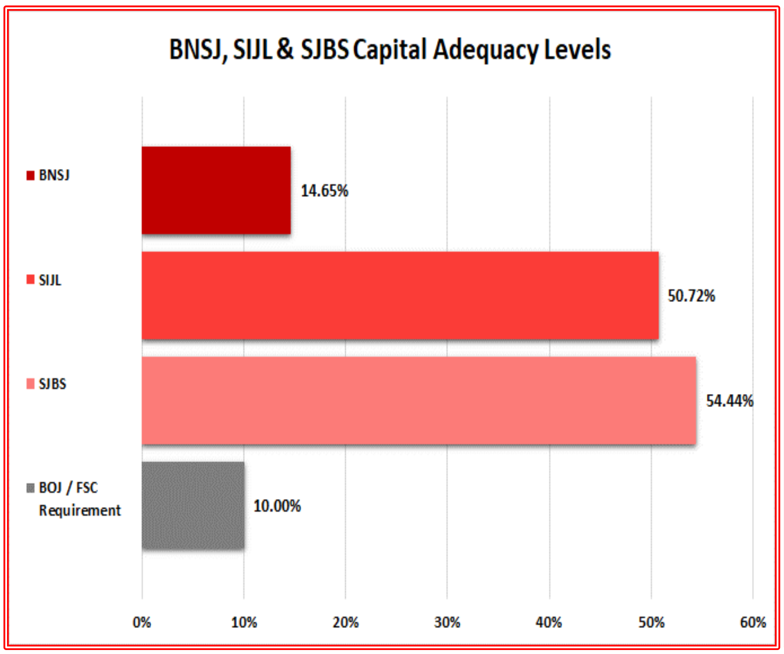
Other liabilities totaled $23.4 billion as at January 2023 and showed a reduction of $5.3 billion or 18.4% over prior year. The year over year movement was primarily attributable to the reduction in deferred taxation of $7.6 billion or 91.1% due to the change in the retirement benefit asset based on the revised assumptions used in the actuarial valuation.

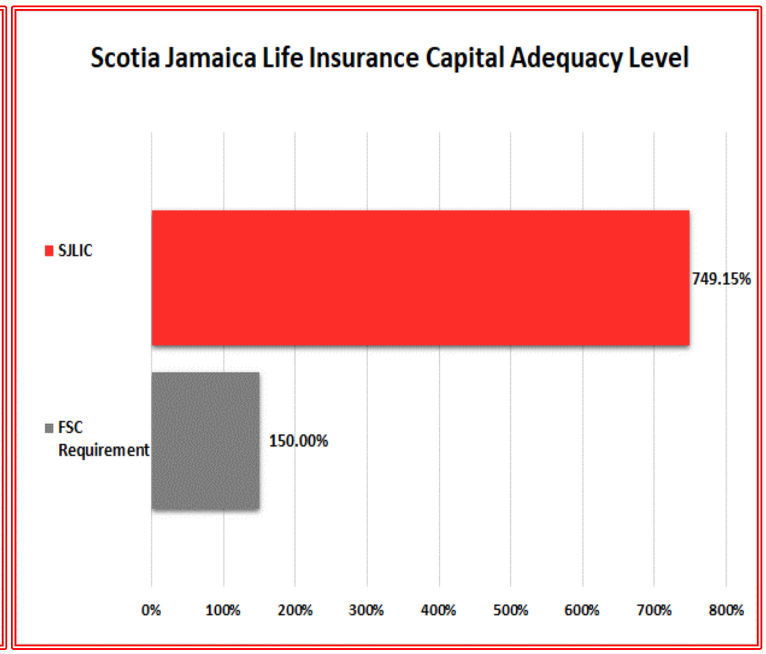
CAPITAL

Shareholders' equity available to common shareholders totaled $105.2 billion and reflected a reduction of $9.1 billion or 7.9% when compared to January 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

During the first quarter, Scotia Group Jamaica primarily focused its philanthropic efforts on youth development and spreading Yuletide cheer through various initiatives. As a celebration of Youth month locally, the Scotiabank Jamaica Foundation donated $700,000 in support of the National Child Month Committee's Youth Forum, which took the form of a debate among high school students. The event provided youth with an opportunity to share ideas, concerns and recommendations that allow their voices to be heard and which will inform national policy. Ultimately, the top three contenders in the debate competition were awarded bursaries totalling J$200,000, courtesy of the Scotia Foundation.

A firm believer in community development, the Scotia Foundation pumped $10 million into the social transformation initiative, Project STAR. The initiative is a multi-agency, private sector funded, 4-year intervention programme targeting a minimum of 10 of Jamaica's high violence producing communities.

Throughout the yuletide season the Scotia Foundation invested a total of $1.5 million in the Christmas Kettle initiative spearheaded by the Salvation Army to raise funds for those in need. We also donated $1.5 million to the United Way of Jamaica to support a community treat in Sherwood Content St. Ann as well as the 'Bringing Cheer to Children in State Care' (BCCSC) programme. Through the BCCSC project, children with special needs living in state care benefitted from infrastructural improvements to their homes. Functional items such as beds and mattresses were purchased and donated to enhance the state of living for the children. Through funds donated, the home also received items to host a Christmas Party/Dinner for occupants and caregivers to enjoy the festive season.

Scotiabank also resumed its free public concert, 'Christmas in the Park', which provided a platform for children and young Jamaicans to showcase their talents as well as provide wholesome family entertainment for patrons. The concert, which was hosted at the Emancipation Park, also featured recording gospel artiste Jermaine Edwards.

Consolidated Statement of Revenue and Expenses
Period ended January 31, 2023

Unaudited ($ Thousands)	January 2023	Restated October 2022	Restated January 2022
	For the three months ended		
Interest income	9,244,066	8,698,148	6,612,048
Interest expense	(130,555)	(122,788)	(145,188)
Net interest income	9,113,511	8,575,360	6,466,860
Expected credit losses	(510,014)	(879,533)	(569,307)
Net interest income after expected credit losses	8,603,497	7,695,827	5,897,553
Finance expenses from insurance contracts	(188,231)	(486,492)	(100,885)
Finance expenses from reinsurance contracts	(17)	-	(2)
Total insurance finance expenses	(188,248)	(486,492)	(100,887)
Insurance revenue / (loss)	660,651	523,195	(177,606)
Insurance service expenses	(123,184)	(84,497)	(162,137)
Net insurance revenue	537,467	438,698	(339,743)
Net fee and commission income	1,933,616	1,481,181	1,502,338
Net gains on foreign currency activities	2,070,110	1,973,632	2,117,464
Net gains / (losses) on financial assets	189,775	(180,735)	68,950
Other revenue	168,783	8,053	295,388
	4,362,284	3,282,131	3,984,140
Total operating Income	13,315,000	10,930,164	9,441,063
Operating Expenses			
Salaries and staff benefits	2,595,916	2,679,309	2,543,734
Property expenses, including depreciation	564,911	700,135	524,898
Amortisation of intangible assets	28,354	51,433	22,741
Asset tax	1,412,687	-	1,356,963
Other operating expenses	3,266,545	2,499,430	2,738,746
	7,868,413	5,930,307	7,187,082
Profit before taxation	5,446,587	4,999,857	2,253,981
Taxation	(2,026,293)	(2,002,044)	(1,000,696)
Profit for the period	3,420,294	2,997,813	1,253,285
Attributable to:-			
Equityholders of the Company	3,420,294	2,997,813	1,253,285
Earnings per share (cents)	110	96	40
Return on average equity (annualized)	12.87%	11.19%	4.41%
Return on assets (annualized)	2.26%	2.01%	0.85%
Productivity ratio	56.91%	50.22%	71.80%

Consolidated Statement of Comprehensive Income
Period ended January 31, 2023

	For the three months ended		
Unaudited ($ Thousands)	January 2023	Restated October 2022	Restated January 2022
Profit for the period	3,420,294	2,997,813	1,253,285
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plan/obligations	(9,460,619)	4,386,954	2,747,998
Taxation	3,153,540	(1,462,318)	(915,999)
	(6,307,079)	2,924,636	1,831,999
Items that may be subsequently reclassified to profit or loss:			
Unrealised gains / (losses) on investment securities	1,636,098	(2,278,842)	(1,042,760)
Realised gains on investment securities	1,866	44,399	20,582
Foreign currency translation	994	336	2,530
Finance income / (expense) from insurance contracts	739,512	(524,075)	7,741
Expected credit losses on investment securities	135,340	(85,651)	2,531
	2,513,810	(2,843,833)	(1,009,376)
Taxation	(732,466)	829,247	304,777
	1,781,344	(2,014,586)	(704,599)
Other comprehensive (loss) / income, net of tax	(4,525,735)	910,050	1,127,400
Total comprehensive (loss) / income for the period	(1,105,441)	3,907,863	2,380,685

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Consolidated Statement of Financial Position
January 31, 2023

Unaudited ($ Thousands)	January 31, 2023	Restated October 31, 2022	Restated January 31, 2022
ASSETS			
CASH RESOURCES, NET OF ALLOWANCES	166,771,018	148,992,184	172,513,016
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	3,087,837	3,035,413	3,198,856
INVESTMENT SECURITIES	146,635,946	148,846,066	145,407,977
PLEDGED ASSETS	16,657,008	15,598,720	17,647,675
GOVERNMENT SECURITIES PURCHASED UNDER RESALE AGREEMENTS	-	751,427	1,001,904
LOANS, NET OF ALLOWANCES FOR CREDIT LOSSES	237,347,776	237,044,011	199,752,797
SEGREGATED FUND ASSETS	1,061,951	978,078	842,377
REINSURANCE CONTRACT ASSETS	2,468	2,481	2,344
OTHER ASSETS			
Property and equipment, including right of use assets	9,516,080	9,311,741	8,858,982
Deferred taxation	2,225,081	2,594,677	853,009
Taxation recoverable	2,962,239	2,591,341	2,076,650
Retirement benefit asset	14,270,043	23,561,041	34,495,296
Other assets	3,318,796	3,119,420	4,051,005
Intangible assets	527,185	552,036	547,680
	32,819,424	41,730,256	50,882,622
TOTAL ASSETS	**604,383,428**	**596,978,636**	**591,249,568**
LIABILITIES			
Deposits by the public	409,407,258	397,176,483	380,161,567
Amounts due to banks and other financial institutions	1,877,860	1,561,132	2,036,822
	411,285,118	398,737,615	382,198,389
OTHER LIABILITIES			
Capital management and government securities funds	14,372,252	14,128,403	18,025,278
Deferred taxation	741,255	3,501,883	8,361,263
Retirement benefit obligation	4,365,395	4,557,782	5,364,891
Other liabilities	18,248,842	17,537,336	14,883,954
	37,727,744	39,725,404	46,635,386
INSURANCE CONTRACT LIABILITIES	49,105,108	50,139,394	47,319,718
REINSURANCE CONTRACT LIABILITIES	1,641	1,780	1,780
SEGREGATED FUND ASSETS	1,061,951	978,078	842,377
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	361,367	361,367	334,797
Other reserves	9,964	9,964	9,964
Insurance Finance Reserve	(663,915)	(1,218,549)	5,806
Translation reserve	35,929	34,935	41,235
Cumulative remeasurement on investment securities	(4,205,953)	(5,431,669)	(1,322,610)
Unappropriated profits	52,941,578	57,917,421	59,459,830
	105,201,866	107,396,365	114,251,918
TOTAL EQUITY AND LIABILITIES	**604,383,428**	**596,978,636**	**591,249,568**

Director

Director

Consolidated Statement of Changes in Shareholders' Equity
as at January 31, 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	-	-	-	-	-	-	-	-	-	1,253,285	1,253,285
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	1,831,999	1,831,999
Foreign Currency Translation	-	-	-	-	-	-	-	-	2,530	-	2,530
Unrealised losses on investment securities, net of taxes and provisions	-	-	-	-	(726,657)	-	-	-	-	-	(726,657)
Realised losses on investment securities, net of taxes	-	-	-	-	13,722	-	-	-	-	-	13,722
Finance income on insurance contracts	-	-	-	-	-	-	-	5,806	-	-	5,806
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(712,935)**	**-**	**-**	**5,806**	**2,530**	**3,085,284**	**2,380,685**
Dividends paid	-	-	-	-	-	-	-	-	-	(1,089,058)	(1,089,058)
Balance as at 31 January 2022, as restated	**6,569,810**	**3,249,976**	**45,891,770**	**11,340**	**(1,322,610)**	**334,797**	**9,964**	**5,806**	**41,235**	**59,459,830**	**114,251,918**
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	-	-	-	-	-	-	-	-	-	3,420,294	3,420,294
Other Comprehensive Income											
Re-measurement of defined benefit plan / obligations	-	-	-	-	-	-	-	-	-	(6,307,079)	(6,307,079)
Foreign Currency Translation	-	-	-	-	-	-	-	-	994	-	994
Unrealised gains on investment securities, net of taxes and provisions	-	-	-	-	1,224,472	-	-	-	-	-	1,224,472
Realised losses on investment securities, net of taxes	-	-	-	-	1,244	-	-	-	-	-	1,244
Finance income on insurance contracts	-	-	-	-	-	-	-	554,634	-	-	554,634
Total Comprehensive Income	**-**	**-**	**-**	**-**	**1,225,716**	**-**	**-**	**554,634**	**994**	**(2,886,785)**	**(1,105,441)**
Transfers between reserves											
Transfer to Retained Earnings Reserve	-	-	1,000,000	-	-	-	-	-	-	(1,000,000)	-
Dividends paid	-	-	-	-	-	-	-	-	-	(1,089,058)	(1,089,058)
Balance as at 31 January 2023	**6,569,810**	**3,249,976**	**46,891,770**	**11,340**	**(4,205,953)**	**361,367**	**9,964**	**(663,915)**	**35,929**	**52,941,578**	**105,201,866**

Condensed Statement of Consolidated Cash Flows
Period ended January 31, 2023

Unaudited ($ Thousands)	2023	Restated 2022
Cash flows provided by operating activities		
Profit for the period	3,420,294	1,253,285
Items not affecting cash:		
Expected credit losses	868,960	895,058
Depreciation and amortisation of right of use assets	246,502	239,859
Amortisation of intangible assets	28,354	22,741
Taxation	2,026,293	1,000,696
Net interest income	(8,925,263)	(6,365,973)
Gain on disposal of property	(159,921)	(287,746)
Increase in retirement benefit assets / obligations	(329,285)	(321,907)
	(2,824,066)	(3,563,987)
Changes in operating assets and liabilities		
Loans	(1,250,055)	7,036,850
Deposits	12,450,667	890,819
Insurance contracts	(294,899)	896,425
Financial assets at fair value through profit and loss	21,044	579,210
Interest received	8,914,899	6,246,854
Interest paid	(287,294)	(226,627)
Taxation paid	(750,829)	(144,579)
Amounts with parent and fellow subsidiaries	(488,610)	(372,278)
Other	(301,789)	471,095
	15,189,068	11,813,782
Cash flows provided by / (used in) investing activities		
Purchase of investment securities	(23,364,687)	(27,507,492)
Proceeds from maturities / sales of investment securities	30,589,340	20,972,488
Purchase of property, equipment and intangibles	(427,107)	(241,179)
Proceeds on sale of property and equipment	189,593	331,355
	6,987,139	(6,444,828)
Cash flows used in financing activities		
Dividends paid	(1,089,058)	(1,089,058)
Lease payments on right of use assets	(45,765)	(44,208)
	(1,134,823)	(1,133,266)
Effect of exchange rate on cash and cash equivalents	483,014	294,719
Net change in cash and cash equivalents	21,524,398	4,530,407
Cash and cash equivalents at beginning of year	103,837,023	127,412,620
Cash and cash equivalents at the end of the period	**125,361,421**	**131,943,027**
Represented by :		
Cash resources, net of expected credit losses	166,771,018	172,513,016
Less statutory reserves at Bank of Jamaica	(34,145,036)	(31,503,304)
Less amounts due from other banks greater than ninety days	(8,482,430)	(9,208,890)
Expected credit losses on cash resources	33,308	2,016
Less accrued interest on cash resources	(354,486)	(13,396)
Pledged assets, investment securities and repurchase agreements assets less than ninety days	5,010,778	3,625,260
Cheques and other instruments in transit, net	(3,471,731)	(3,471,675)
Cash and cash equivalents at the end of the period	**125,361,421**	**131,943,027**

Scotiabank

Segmental Financial Information

January 31, 2023

Unaudited ($ Thousands)	Banking							
	Treasury	Retail	Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	2,727,410	5,087,540	3,669,638	822,472	1,448,426	69,528	-	13,825,014
Revenues from other segments	(1,945,822)	592,781	1,260,407	35,810	59,639	-	(2,815)	-
Total revenues	781,588	5,680,321	4,930,045	858,282	1,508,065	69,528	(2,815)	13,825,014
Expenses	(642,439)	(4,700,162)	(2,213,152)	(466,691)	(288,223)	(57,611)	(10,149)	(8,378,427)
Profit before tax	139,149	980,159	2,716,893	391,591	1,219,842	11,917	(12,964)	5,446,587
Taxation								(2,026,293)
Profit for the period								**3,420,294**
Segment assets	232,180,826	178,242,882	92,133,038	25,975,632	65,777,542	22,359,136	(30,394,769)	586,274,287
Unallocated assets								18,109,141
Total assets								**604,383,428**
Segment liabilities	1,000,192	226,339,477	202,448,626	16,168,241	50,768,762	92,233	(14,879,188)	481,938,343
Unallocated liabilities								17,243,219
Total liabilities								**499,181,562**
Other Segment items:								
Net interest income	218,192	4,487,912	3,027,556	250,940	1,051,154	63,672	14,085	9,113,511
Capital expenditure	-	302,814	122,077	2,216	-	-	-	427,107
Expected credit losses	35,770	388,917	8	21,338	63,981	-	-	510,014
Depreciation and amortisation	1,903	161,212	81,971	28,594	1,176	-	-	274,856

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Segmental Financial Information

January 31, 2022 (Restated)

Unaudited ($ Thousands)	Banking: Treasury	Banking: Retail	Banking: Corporate and Commercial	Investment Management Services	Insurance Services	Other	Eliminations	Group
Net external revenues	1,402,066	4,566,081	2,730,885	821,669	407,114	82,555	-	10,010,370
Revenues from other segments	(638,641)	126,696	493,478	14,321	(4,075)	-	8,221	-
Total revenues	763,425	4,692,777	3,224,363	835,990	403,039	82,555	8,221	10,010,370
Expenses	(625,315)	(4,589,491)	(1,783,455)	(431,635)	(253,793)	(52,238)	(20,462)	(7,756,389)
Profit before tax	138,110	103,286	1,440,908	404,355	149,246	30,317	(12,241)	2,253,981
Taxation								(1,000,696)
Profit for the period								**1,253,285**
Segment assets	231,222,740	151,346,317	78,814,682	30,092,236	60,465,866	23,139,914	(22,110,009)	552,971,746
Unallocated assets								38,277,822
Total assets								**591,249,568**
Segment liabilities	-	213,488,250	181,516,909	20,082,777	48,557,370	47,893	(9,151,198)	454,542,001
Unallocated liabilities								22,455,649
Total liabilities								**476,997,650**
Other Segment items:								
Net interest income	143,131	3,657,653	1,769,785	135,483	748,755	1,177	10,876	6,466,860
Capital expenditure	-	129,451	111,728	-	-	-	-	241,179
Expected credit losses	7,164	574,240	(11,889)	(475)	267	-	-	569,307
Depreciation and amortisation	1,761	163,705	70,039	25,914	1,181	-	-	262,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2023

1. Identification

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

The Company is the parent of The Bank of Nova Scotia Jamaica Limited (100%) and Scotia Investments Jamaica Limited (100%). All subsidiaries are incorporated in Jamaica, except for Scotia Asset Management (Barbados) Inc.

2. Significant accounting policies

(a) Basis of presentation

Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting'. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual audited consolidated financial statements for the year ended October 31, 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	14,192	15,766
Securities with regulators, clearing houses and other financial institutions	2,465	1,882
	16,657	**17,648**

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	January 31, 2022		
($ Thousands)	As previously reported	Adjustments	As restated
Interest Income	6,610,164	1,884	6,612,048
Interest Expense	(452,226)	307,038	(145,188)
Expected Credit Losses	(569,307)	-	(569,307)
Net Finance Expenses from Insurance Contracts	-	(100,885)	(100,885)
Net Finance Income or Expense from Reinsurance Contracts	-	(2)	(2)
Insurance Revenue	793,741	(971,347)	(177,606)
Insurance Service Expenses	-	(162,137)	(162,137)
Net Fee and Commission Income	1,501,385	953	1,502,338
Net Gains on Foreign Currency Activities	2,117,464	-	2,117,464
Net Losses on Financial Assets	68,950	-	68,950
Other Revenue	295,388	-	295,388
TOTAL OPERATING INCOME	**10,365,559**	(924,496)	**9,441,063**
OPERATING EXPENSES			
Salaries and Staff Benefits	2,664,713	(120,979)	2,543,734
Property Expenses, including depreciation	528,095	(3,197)	524,898
Amortisation of Intangible Assets	22,741	-	22,741
Asset Tax	1,356,963	-	1,356,963
Other Operating Expenses	2,830,998	(92,252)	2,738,746
TOTAL OPERATING EXPENSES	**7,403,510**	(216,428)	**7,187,082**
PROFIT BEFORE TAXATION	**2,962,049**	(708,068)	**2,253,981**
Taxation	(1,177,743)	177,047	(1,000,696)
PROFIT FOR THE PERIOD	**1,784,306**	(531,021)	**1,253,285**

Statement of Comprehensive Income			
Items that will not be reclassified to profit and loss			
Remeasurement Of Defined Benefit Plans/Obligations net of taxes	1,831,999	-	1,831,999
Items that will be reclassified to profit and loss			
Unrealized Losses on Investment Securities	(1,042,760)	-	(1,042,760)
Realised Losses/Gains on Investment Securities	20,582	-	20,582
Foreign Currency Translation	2,530	-	2,530
Expected Credit Losses on Investment Securities	2,531	-	2,531
Insurance Finance Reserve	-	7,741	7,741
	814,882	7,741	822,623
Taxation	306,712	(1,935)	304,777
	1,121,594	**5,806**	**1,127,400**
OTHER COMPREHENSIVE INCOME, NET OF TAX	**2,905,900**	**(525,215)**	**2,380,685**