

4 May 2020

Scotia Group Jamaica Limited (SGJ) has been closely monitoring developments related to the COVID-19 pandemic and has noted its significant adverse impact on economies across the globe. The Jamaican economy will also be affected by the pandemic and this will likely include a negative impact on businesses in the financial sector. At SGJ, we are proactively managing our business to:

1. Safeguard the health and safety of our customers and employees
2. Ensure that adequate business continuity measures are in place so we can continue to serve customers
3. Continue to ensure strong capital and liquidity levels

Accordingly, we have implemented a series of changes in our operations in line with local guidelines and international best practices. These include:

- The implementation of physical distancing protocols in and around our branches and offices
- The introduction of plexi-glass partitions in our banking halls
- Enhanced cleaning standards for all branches and Automated Banking Machines (ABMs)
- The introduction of on-site nurses in high density work areas to conduct temperature checks on entry and health checks when required
- The enhancement of our digital channels including increased functionality at our ABMs, our upgraded mobile banking application and internet banking platform

We have made significant investments in our digital capabilities over the past 3 years and these are now providing an important alternative channel for serving our customers. Digital banking and customer education have created real convenience and promoted health and safety for our customers by allowing them to continue to conduct their transactions seamlessly, notwithstanding curfew and quarantine restrictions. Digital banking allows customers to transfer funds, pay bills and monitor account activity remotely. This technology has also enabled our business continuity plans and enabled hundreds of our employees to work from home.

SGJ also developed a comprehensive Customer Assistance Programme (CAP) that allows customers affected by the crisis to defer loan payments and insurance premiums. Retail banking customers may defer payments on credit facilities for up to six months by enrolling online or through our contact centre. Restructuring arrangements are also available for business banking customers. We believe these measures will significantly help our customers to manage through the financial challenges of the COVID-19 pandemic.

Finally, we are able to confirm that SGJ has been advised by the Bank of Jamaica that after consultation with the sector it has determined that it would be in the best interests of the financial sector if dividend payments by deposit taking institutions and financial holding companies were suspended during the COVID-19 Crisis. We will seek to adhere to this and any subsequent guidance in line with the regulation of deposit taking institutions and financial holding companies. The Board of SGJ meets quarterly to review these matters and to consider and declare dividends in line with prevailing conditions at the time and any applicable financial and prudential regulation in place in respect of the Group.

We believe our strong risk management and governance framework, service standards and technology will allow us to support our customers and adequately manage our operations through the current economic downturn. SGJ maintains strong capital adequacy levels that are significantly higher than regulatory requirements. We will continue to monitor our capital and liquidity levels throughout this crisis and confirm that we are well positioned to support the growth opportunities that we believe will exist for Jamaica when this crisis ends.