

THE BANK OF NOVA SCOTIA - BARBADOS BRANCHES 2017 SUMMARY FINANCIAL STATEMENTS



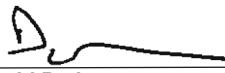
Summary Statement of Financial Position

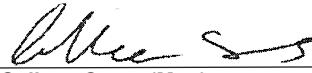
As at October 31, 2017

(expressed in thousands of Barbados dollars)

	2017	2016
	\$	\$
Assets		
Cash and balances with Central Bank	567,259	499,827
Due from banks	176,385	161,870
Other assets	4,573	5,998
Investment securities	289,686	194,374
Loans and advances to customers	1,643,959	1,723,259
Property, plant and equipment	43,191	39,941
Assets held for sale	1,635	1,635
Total Assets	2,726,688	2,626,904
Liabilities		
Customer deposits	1,916,791	1,827,777
Due to banks	125,030	96,185
Other liabilities	37,440	49,569
Taxation payable	17,767	19,517
Deferred taxation liability	1,197	970
Total Liabilities	2,098,225	1,994,018
Head Office Account		
Assigned capital	4,000	4,000
Due to Head Office	224,793	243,490
Reserves	18,809	18,809
Retained earnings	380,861	366,587
Total Head Office Account	628,463	632,886
Total Liabilities and Head Office Account	2,726,688	2,626,904

Approved on January 4, 2018 by


David Parks
Managing Director
Caribbean East


Colleen Cyrus (Mrs.)
Director Finance
Caribbean East Regional District

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2017

(expressed in thousands of Barbados dollars)

	Assigned capital	Reserves	Due to Head Office	Retained earnings	Total
	\$	\$	\$	\$	\$
Balance – October 31, 2015	4,000	18,809	209,426	318,790	551,025
Net profit for the year	-	-	-	58,797	58,797
Net advances from Head Office	-	-	34,064	-	34,064
Profits remitted to Head Office	-	-	-	(11,000)	(11,000)
Balance – October 31, 2016	4,000	18,809	243,490	366,587	632,886
Net profit for the year	-	-	-	47,277	47,277
Net advances to Head Office	-	-	(18,697)	-	(18,697)
Profits remitted to Head Office	-	-	-	(33,003)	(33,003)
Balance – October 31, 2017	4,000	18,809	224,793	380,861	628,463

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Managing Director of
The Bank of Nova Scotia - Barbados Branches

Opinion

The summary financial statements, which comprise the summary statement of financial position as at October 31, 2017, the summary statements of changes in Head Office Account, profit or loss and other comprehensive income and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia – Barbados Branches (“the Bank”) for the year ended October 31, 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the basis of accounting applied in the preparation of the audited financial statements of the Bank. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited financial statements in our report dated January 4, 2018.

Emphasis of Matter – Restriction on Use and Distribution

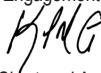
Our auditors' report dated January 4, 2018 on the audited financial statements included an Emphasis of Matter paragraph, drawing attention to the fact that the financial statements are prepared to assist the Bank to comply with the Financial Institutions Act CAP 324A section 45 of the Laws of Barbados. As a result, the financial statements may not be suitable for another purpose. Our report thereon is intended solely for the Bank and its Regulators and should not be used by or distributed to parties other than the Bank or its Regulators. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), “Engagements to Report on Summary Financial Statements.”


Chartered Accountants
Bridgetown, Barbados
January 4, 2018

Summary Statement of Cash Flows

For the year ended October 31, 2017

(expressed in thousands of Barbados dollars)

	2017	2016
	\$	\$
Cash flows from operating activities		
Profit before taxation	62,271	77,376
Provision for credit losses	14,378	6,060
Depreciation	3,080	3,028
Loss on disposal of fixed assets	22	1
Interest income	(135,370)	(140,489)
Interest expense	5,209	7,645
	(50,410)	(46,379)
Changes in operating assets and liabilities		
Decrease/(Increase) in loans, net	64,771	(28,119)
Decrease/(Increase) in other assets	1,425	(5,320)
Increase in mandatory reserve deposits with Central Bank	(5,910)	(4,034)
(Decrease)/Increase in other liabilities	(12,129)	15,358
Increase/(Decrease) in customer deposits	89,193	(29,602)
Cash from (used in) operations	86,940	(98,096)
Corporation tax paid	(16,517)	(10,651)
Interest received	135,521	139,996
Interest paid	(5,389)	(8,332)
Net cash from operating activities	200,555	22,917
Cash flows from investing activities		
(Purchase)/Proceeds on maturity of investment securities, net	(95,312)	23,694
Purchase of property, plant and equipment	(6,351)	(1,224)
Proceeds on disposal of property, plant and equipment	-	36
Net cash (used in) from investing activities	(101,663)	22,506
Cash flows from financing activities		
Net financing (to)/from Head Office	(18,697)	34,064
Profits remitted to Head Office	(33,003)	(11,000)
Net cash (used in) from financing activities	(51,700)	23,064
Net increase in cash for year	47,192	68,487
Cash and cash equivalents – beginning of year	476,112	407,625
Cash and cash equivalents – end of year	523,304	476,112
Cash and cash equivalents comprise:		
Cash and balances with Central Bank	567,259	499,827
Due from banks	176,385	161,870
Due to banks	(125,030)	(96,185)
	618,614	565,512
Mandatory reserve deposits with Central Bank	(95,310)	(89,400)
	523,304	476,112

SCOTIABANK BOARD OF DIRECTORS

Nora Anne Aufreiter	Una Marie Power
Guillermo Enrique Babatz	Aaron William Regent
Scott Wayne Barclay Bonham	Indira Vasanti Samarasekera
Charles Harry Dallara	Susan Louise Segal
Richard Tiffany (Tiff) Macklem	Barbara Susan Thomas
Thomas Charles O'Neill	Lawren Scott Thomson
Eduardo Pacheco Cortes	Michael D. Penner
Brian Johnston Porter	

Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2017

(expressed in thousands of Barbados dollars)

	2017	2016
	\$	\$
Interest income	135,370	140,489
Interest expense	5,209	7,645
Net interest income	130,161	132,844
Non-interest income	58,638	59,264
Total Revenue	188,799	192,108
Non-interest expenses	112,150	108,672
Provision for credit losses	14,378	6,060
Total Expenses	126,528	114,732
Profit before taxation	62,271	77,376
Taxation	14,994	18,579
Net profit and other comprehensive income for the year	47,277	58,797