

Summary Statement of Financial Position

As at October 31, 2020 with comparatives for 2019
(Expressed in thousands of Barbados dollars)

| | 2020 \$ | 2019 \$ |
|-------------------------------------|------------|------------|
| Assets | | |
| Due from banks | 985,336 | 1,155,146 |
| Loans and advances to customers | 12,940 | 22,047 |
| Other assets | 32 | 83 |
| Total Assets | 998,308 | 1,177,276 |
| Liabilities | | |
| Customer deposits | 762,200 | 984,583 |
| Due to banks | 193,638 | 121,983 |
| Other liabilities | 26,695 | 20,878 |
| Taxation payable | 282 | 358 |
| Total Liabilities | 982,815 | 1,127,802 |
| Equity | | |
| Assigned capital | 4,000 | 4,000 |
| Retained earnings | 11,493 | 45,474 |
| Total Equity | 15,493 | 49,474 |
| Total Liabilities and Equity | 998,308 | 1,177,276 |

Approved by:

David Parks (Mr.)
Managing Director
Caribbean East Regional District

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

Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2020 with comparatives for 2019
(Expressed in thousands of Barbados dollars)

| | 2020 \$ | 2019 \$ |
|---|------------|------------|
| Interest income | 9,093 | 22,551 |
| Interest expense | (3,265) | (9,282) |
| Net interest income | 5,828 | 13,269 |
| Non-interest income | 6,962 | 8,221 |
| Total Revenue | 12,790 | 21,490 |
| Non-interest expenses | (1,218) | (933) |
| (Provision for) / Recovery of credit losses | (91) | 277 |
| Total Expenses | 1,309 | 656 |
| Profit before taxation | 11,481 | 20,834 |
| Taxation | (113) | (358) |
| Net profit and other comprehensive income for the year | 11,368 | 20,476 |

Summary Statement of Changes in Equity

For the year ended October 31, 2020 with comparatives for 2019
(Expressed in thousands of Barbados dollars)

| | Assigned Capital \$ | Retained Earnings \$ | Total \$ |
|--|---------------------------|----------------------------|-------------|
| Balance – October 31, 2018 | 4,000 | 25,018 | 29,018 |
| Cumulative effect of adopting IFRS 9 | - | (20) | (20) |
| Restated balance – November 1, 2018 | 4,000 | 24,998 | 28,998 |
| Net profit for the year | - | 20,476 | 20,476 |
| Balance – October 31, 2019 | 4,000 | 45,474 | 49,474 |
| Net profit for the year | - | 11,368 | 11,368 |
| Net profits remitted to Head Office | - | (45,349) | (45,349) |
| Balance – October 31, 2020 | 4,000 | 11,493 | 15,493 |

Summary Statement of Cash Flows

For the year ended October 31, 2020 with comparatives for 2019
(Expressed in thousands of Barbados dollars)

| | 2020 \$ | 2019 \$ |
|---|-------------|-------------|
| Cash flows from operating activities | | |
| Net profit | 11,368 | 20,476 |
| Interest income | (9,093) | (22,551) |
| Interest expense | 3,265 | 9,282 |
| Provision for (recovery of) credit losses | 91 | (277) |
| Income tax expense | 113 | 358 |
| | <hr/> | <hr/> |
| Operating income before changes in operating assets and liabilities | 5,744 | 7,288 |
| Changes in operating assets and liabilities | | |
| Increase in other liabilities | 5,817 | 6,851 |
| Decrease/(Increase) in other assets | 51 | (38) |
| Decrease in loans and advances to customers | 6,871 | 2,641 |
| Decrease in customer deposits | (221,298) | (275,740) |
| | <hr/> | <hr/> |
| Cash used in operations | (202,815) | (258,998) |
| Corporation tax paid | (190) | (477) |
| Interest received | 11,238 | 22,309 |
| Interest paid | (4,349) | (9,207) |
| | <hr/> | <hr/> |
| Net cash used in operating activities | (196,116) | (246,373) |
| | <hr/> | <hr/> |
| Cash flows from financing activities | | |
| Profits remitted to Head Office | (45,349) | - |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (45,349) | - |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents for the year | (241,465) | (246,373) |
| Cash and cash equivalents – beginning of year | 1,033,163 | 1,279,536 |
| | <hr/> | <hr/> |
| Cash and cash equivalents – end of year | 791,698 | 1,033,163 |
| | <hr/> | <hr/> |
| Cash and cash equivalents comprise: | | |
| Due from banks | 985,336 | 1,155,146 |
| Due to banks | (193,638) | (121,983) |
| | <hr/> | <hr/> |
| | 791,698 | 1,033,163 |
| | <hr/> <hr/> | <hr/> <hr/> |

Board of Directors

| | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------------|-----------------------|
| Nora Anne Aufreiter | Charles Harry Dallara | Brian Johnston Porter | Calin Rovinescu | Lawren Scott Thomson |
| Guillermo Enrique Babatz | Lynn K. Patterson | Una Marie Power | Indira Vasanti Samarasekera | Benita Marie Warmbold |
| Scott Wayne Barclay Bonham | Michael D. Penner | Aaron William Regent | Susan Louise Segal | |

Independent Auditors' Report on the Summary Financial Statements

To the Managing Director of The Bank of Nova Scotia Offshore Banking Unit

Opinion

The summary financial statements, which comprise the summary statement of financial position as at October 31, 2020, and the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia Offshore Banking Unit ("the Bank") for the year ended October 31, 2020.

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 February 22, 2021.

Emphasis of Matter – Restriction on Use and Distribution

Our auditors' report dated February 22, 2021 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 (Amendment) Act, 2018-51 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
February 22, 2021