

The Bank of Nova Scotia - Barbados Branches

2019 Summary Financial Statements

Summary Statement of Financial Position

As at October 31, 2019 with comparatives for 2018
(Expressed in thousands of Barbados dollars)

	2019 \$	2018 \$
Assets		
Cash and balances with Central Bank	666,466	544,437
Due from banks	206,094	261,269
Investment securities	344,484	333,962
Loans and advances to customers	1,473,193	1,518,806
Property and equipment	39,646	41,827
Other assets	3,141	3,721
Total Assets	2,733,024	2,704,022
Liabilities		
Customer deposits	1,982,230	1,912,593
Due to banks	260,424	356,355
Other liabilities	44,656	36,576
Current tax liabilities	14,308	12,286
Deferred tax liabilities	-	1,197
Total Liabilities	2,301,618	2,319,007
Equity		
Assigned capital	4,000	4,000
Reserves	18,809	18,809
Retained earnings	408,597	362,206
Total Equity	431,406	385,015
Total Liabilities and Equity	2,733,024	2,704,022

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, 2019 with comparatives for 2018
(Expressed in thousands of Barbados dollars)

	2019 \$	2018 \$
Interest income	130,121	134,684
Interest expense	(4,876)	(4,960)
Net interest income	125,245	129,724
Non-interest income	48,636	49,140
Total Revenue	173,881	178,864
Impairment losses	-	(86,184)
Provision for credit losses	(3,224)	(15,734)
Non-interest expenses	(95,815)	(95,601)
Total Expenses	(99,039)	(197,519)
Profit (loss) before tax	74,842	(18,655)
Income tax expense	(240)	-
Net profit (loss) for the year, being total comprehensive income (loss)	74,602	(18,655)

Board of Directors

Nora Anne Aufreiter
Guillermo Enrique Babatz
Scott Wayne Barclay Bonham

Charles Harry Dallara
Richard Tiffany (Tiff) Macklem
Brian Johnston Porter

Una Marie Power
Aaron William Regent
Indira Vasanti Samarasekera

Susan Louise Segal
Lawren Scott Thomson
Michael D. Penner

Benita Marie Warmbold

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, 2019, 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 – Barbados Branches ("the Bank") for the year ended October 31, 2019.

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 21, 2020.

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Summary Statement of Changes in Equity

For the year ended October 31, 2019 with comparatives for 2018
(Expressed in thousands of Barbados dollars)

	Assigned Capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance at October 31, 2017	4,000	18,809	380,861	403,670
Net loss for the year	-	-	(18,655)	(18,655)
Balance at October 31, 2018	4,000	18,809	362,206	385,015
Cumulative effect of adopting IFRS 9	-	-	(28,211)	(28,211)
Restated Balance at November 1, 2018	4,000	18,809	333,995	356,804
Net profit for the year	-	-	74,602	74,602
Balance at October 31, 2019	4,000	18,809	408,597	431,406

Summary Statement of Cash Flows

For the year ended October 31, 2019 with comparatives for 2018
(Expressed in thousands of Barbados dollars)

	2019 \$	2018 \$
Cash flows from operating activities		
Net profit (loss)	74,602	(18,655)
Adjustments for:		
Provision for credit losses	3,224	15,734
Depreciation	3,111	3,037
Net gain on disposal of property and equipment	-	(24)
Interest income	(130,121)	(134,684)
Interest expense	4,876	4,960
Income tax expense	240	-
	(44,068)	(129,632)
Changes in operating assets and liabilities		
Decrease in loans, net	11,991	109,589
Decrease (increase) in other assets	580	(1,376)
(Increase) decrease in mandatory reserve deposits with Central Bank	(1,853)	325
Increase in other liabilities	8,080	258
Increase (decrease) in customer deposits	69,704	(4,129)
Cash from (used in) operations	44,434	(24,965)
Corporation tax recovered (paid)	585	(5,481)
Interest received	122,034	134,514
Interest paid	(4,943)	(5,029)
Net cash from operating activities	162,110	99,039
Cash flows from investing activities		
Increase in investment securities, net	(248)	(44,276)
Purchase of property and equipment	(1,078)	(2,014)
Proceeds on disposal of property and equipment	148	2,000
Net cash used in investing activities	(1,178)	(44,290)
Net increase in cash for the year	160,932	54,749
Cash and cash equivalents – beginning of year	354,366	299,617
Cash and cash equivalents – end of year	515,298	354,366
Cash and cash equivalents comprise:		
Cash and balances with Central Bank	666,466	544,437
Due from banks	206,094	261,269
Due to banks	(260,424)	(356,355)
	612,136	449,351
Mandatory reserve deposits with Central Bank	(96,838)	(94,985)
	515,298	354,366

Emphasis of Matter – Restriction on Use and Distribution

Our auditors' report dated February 21, 2020 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.

Auditor's 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 21, 2020