

# The Bank of Nova Scotia Offshore Banking Unit

## 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 \$
<b>Assets</b>		
Due from banks	1,155,146	1,331,794
Loans and advances to customers	22,047	24,189
Other assets	83	45
<b>Total Assets</b>	<b>1,177,276</b>	<b>1,356,028</b>
<b>Liabilities</b>		
Customer deposits	984,583	1,260,248
Due to banks	121,983	52,258
Other liabilities	20,878	14,027
Taxation payable	358	477
<b>Total Liabilities</b>	<b>1,127,802</b>	<b>1,327,010</b>
<b>Equity</b>		
Assigned capital	4,000	4,000
Retained earnings	45,474	25,018
<b>Total Equity</b>	<b>49,474</b>	<b>29,018</b>
<b>Total Liabilities and Equity</b>	<b>1,177,276</b>	<b>1,356,028</b>

Approved by:

**David Parks (Mr.)**  
Managing Director

**Colleen Cyrus (Mrs.)**  
Director Finance

### 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	22,551	23,570
Interest expense	(9,282)	(9,398)
Net interest income	13,269	14,172
Non-interest income	8,221	7,907
<b>Total Revenue</b>	<b>21,490</b>	<b>22,079</b>
Non-interest expenses	933	777
(Recovery of) provisions for credit losses	(277)	8
<b>Total Expenses</b>	<b>656</b>	<b>785</b>
<b>Profit before taxation</b>	<b>20,834</b>	<b>21,294</b>
Taxation	(358)	(450)
<b>Net profit and other comprehensive income for the year</b>	<b>20,476</b>	<b>20,844</b>

### Board of Directors

Nora Anne Aufreiter	Brian Johnston Porter	Lawren Scott Thomson
Guillermo Enrique Babatz	Una Marie Power	Michael D. Penner
Scott Wayne Barclay Bonham	Aaron William Regent	Benita Marie Warmbold
Charles Harry Dallara	Indira Vasanti Samarasekera	
Richard Tiffany (Tiff) Macklem	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, 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 Offshore Banking Unit ("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.

### 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 \$	Retained Earnings \$	Total \$
<b>Balance – October 31, 2017</b>	4,000	40,356	44,356
Net profit for the year	-	20,844	20,844
Net profits remitted to Head Office	-	(36,182)	(36,182)
<b>Balance – October 31, 2018</b>	4,000	25,018	29,018
Cumulative effect of adopting IFRS 9	-	(20)	(20)
<b>Restated balance – November 1, 2018</b>	4,000	24,998	28,998
Net profit for the year	-	20,476	20,476
<b>Balance – October 31, 2019</b>	<b>4,000</b>	<b>45,474</b>	<b>49,474</b>

### Summary Statement of Cash Flows

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

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Net profit	20,476	20,844
Interest income	(22,551)	(23,570)
Interest expense	9,282	9,398
(Recovery of) provisions for credit losses	(277)	8
Income tax expense	358	450
Operating income before changes in operating assets and liabilities	7,288	7,130
Increase in other liabilities	6,851	2,530
Increase in other assets	(38)	(45)
Decrease in loans and advances to customers	2,641	16,027
(Decrease) increase in customer deposits	(275,740)	143,089
Cash (used in) from operations	(258,998)	168,731
Corporation tax paid	(477)	(495)
Interest received	22,309	22,228
Interest paid	(9,207)	(8,334)
<b>Net cash (used in) provided by operating activities</b>	<b>(246,373)</b>	<b>182,130</b>
<b>Cash flow from financing activities</b>		
Profits remitted to Head Office	-	(36,182)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(36,182)</b>
<b>Net (decrease) increase in cash and cash equivalents for the year</b>	<b>(246,373)</b>	<b>145,948</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>1,279,536</b>	<b>1,133,588</b>
<b>Cash and cash equivalents – end of year</b>	<b>1,033,163</b>	<b>1,279,536</b>
<b>Cash and cash equivalents comprise:</b>		
Due from banks	1,155,146	1,331,794
Due to banks	(121,983)	(52,258)
	<b>1,033,163</b>	<b>1,279,536</b>

#### 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 (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 21, 2020