

THE BANK OF NOVA SCOTIA - DOMINICA BRANCH

2018 SUMMARY FINANCIAL STATEMENTS



Summary Statement of Financial Position - As at October 31, 2018 (Expressed in thousands of Eastern Caribbean dollars)

	2018	2017*
Assets		
Cash and cash equivalents	21,630	24,995
Due from banks	180,467	150,054
Loans and advances to customers	147,858	160,977
Current tax assets	2,027	-
Property and equipment	5,196	4,556
Deferred tax assets	-	496
Other assets	154	1,077
Total assets	357,332	342,155
Liabilities		
Customer deposits	282,786	263,602
Due to banks	70,510	62,802
Other liabilities	4,049	16,762
Current tax liabilities	-	1,396
Deferred tax liabilities	512	-
Total liabilities	357,857	344,562
Deficiency		
Accumulated deficit	(525)	(2,407)
Total deficiency	(525)	(2,407)
Total liabilities and deficiency	357,332	342,155

Approved by:

Joanne Acevero
Country Manager

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, 2018 (Expressed in thousands of Eastern Caribbean dollars)

	2018	2017*
Interest income	11,589	13,647
Interest expense	4,217	3,949
Net interest income	7,372	9,698
Non-interest income	4,286	4,179
Total Revenue	11,658	13,877
Non-interest expenses (Recovery of) provision for credit losses	9,320 (3,183)	10,604 2,186
Total Expenses	6,137	12,790
Profit before tax	5,521	1,087
Income tax expense	2,586	687
Net Profit for the year, being total comprehensive income	2,935	400

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	Benita Marie Warmbold

Independent Auditors' Report on the Summary Financial Statements

To the Country Manager of
The Bank of Nova Scotia - Dominica Branch

Opinion

The summary financial statements, which comprise the summary statement of financial position as at October 31, 2018, the summary statements of profit or loss and other comprehensive income, changes in deficiency and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia - Dominica Branch ("the Bank") for the year ended October 31, 2018.

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 11, 2019.

Summary Statement of Changes in Deficiency - For the year ended October 31, 2018 (Expressed in thousands of Eastern Caribbean dollars)

	Accumulated Deficit
Balance at October 31, 2016	945
Net profit for the year	400
Remittances to Head Office	(3,752)
Balance at October 31, 2017	(2,407)
Net profit for the year	2,935
Remittances to Head Office	(1,053)
Balance at October 31, 2018	(525)

Summary Statement of Cash Flows - For the year ended October 31, 2018 (Expressed in thousands of Eastern Caribbean dollars)

	2018	2017*
Cash flows from operating activities		
Net Profit for the year	2,935	400
<i>Adjustments for:</i>		
(Recovery of) Provision for credit losses	(3,183)	2,186
Depreciation	485	499
Net interest income	(7,372)	(9,698)
Income tax expense	2,586	687
	(4,549)	(5,926)
Changes in operating assets and liabilities		
Decrease in loans, net	17,425	16,887
Decrease (increase) in other assets	923	(921)
Increase in mandatory reserve deposits with Eastern Caribbean Central Bank	(1,124)	(1,171)
(Decrease) increase in other liabilities	(12,713)	15,620
Increase in customer deposits	19,458	16,440
Cash from operations	19,420	40,929
Corporation tax (paid) recovered	(5,002)	2,494
Interest received	10,466	13,120
Interest paid	(4,491)	(4,029)
Net cash from operating activities	20,393	52,514
Cash flows from investing activities		
Purchase of property and equipment	(1,124)	(107)
Net cash used in investing activities	(1,124)	(107)
Cash flows from financing activities		
Profits remitted to Head Office	(1,053)	(3,752)
Net cash used in financing activities	(1,053)	(3,752)
Net increase in cash for the year	18,216	48,655
Cash and cash equivalents, net - beginning of year	96,277	47,622
Cash and cash equivalents, net - end of year	114,493	96,277
Cash and cash equivalents, net - comprise:		
Cash and cash equivalents	21,630	24,995
Due from banks	180,467	150,054
Due to banks	(70,510)	(62,802)
	131,587	112,247
Mandatory reserve deposits with Eastern Caribbean Central Bank	(17,094)	(15,970)
	114,493	96,277

*Certain comparative figures have been reclassified to conform to the current year's presentation.

Emphasis of Matter - Restriction on Use and Distribution

Our auditors' report dated January 11, 2019 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 Banking Act No. 4 of 2015 of the Laws of the Commonwealth of Dominica. 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
Antigua and Barbuda
January 11, 2019