

THE BANK OF NOVA SCOTIA - GRENADA BRANCHES

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	50,175	40,152
Due from banks	322,352	244,164
Loans and advances to customers	354,195	363,157
Current tax assets	199	2,829
Property and equipment	9,089	9,601
Deferred tax assets	121	217
Other assets	162	152
Total assets	736,293	660,272
Liabilities		
Customer deposits	629,399	570,494
Due to banks	101,369	76,190
Other liabilities	6,989	8,596
Current tax liabilities	-	1,442
Total liabilities	737,757	656,722
Deficiency		
(Accumulated deficit)/Retained earnings	(1,464)	3,550
Total deficiency	(1,464)	3,550
Total liabilities and deficiency	736,293	660,272

Approved by:

Kenrick Sealey (Mr.)
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	28,047	29,812
Interest expense	8,010	7,221
Net interest income	20,037	22,591
Non-interest income	9,116	8,658
Total Revenue	29,153	31,249
Non-interest expenses	17,049	15,041
Recovery of credit losses	(2,402)	(688)
Total Expenses	14,647	14,353
Profit before tax	14,506	16,896
Income tax expense	5,198	5,232
Net Profit for the year, being total comprehensive income	9,308	11,664

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 - Grenada Branches

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 - Grenada Branches ("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)

	Retained Earnings (Accumulated Deficit)
Balance at October 31, 2016	(900)
Net profit for the year	11,664
Net remittance to Head Office	(7,214)
Balance at October 31, 2017	3,550
Net profit for the year	9,308
Net remittance to Head Office	(14,322)
Balance at October 31, 2018	(1,464)

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	9,308	11,664
<i>Adjustments for:</i>		
Recovery of credit losses	(2,402)	(688)
Depreciation	611	660
Net loss on disposal of property and equipment	10	22
Net interest income	(20,037)	(22,591)
Income tax expense	5,198	5,232
	(7,312)	(5,701)
Changes in operating assets and liabilities		
Decrease in loans and advances to customers, net	11,386	19,480
Increase in other assets	(10)	(18)
Increase in mandatory reserve deposits with Eastern Caribbean Central Bank	(8,549)	(705)
Decrease in other liabilities	(1,607)	(537)
Increase in customer deposits	58,674	18,292
Cash from operations	52,582	30,811
Corporation tax paid	(3,914)	(7,223)
Interest received	28,025	29,859
Interest paid	(7,779)	(7,234)
Net cash from operating activities	68,914	46,213
Cash flows from investing activities		
Purchase of property and equipment	(109)	(571)
Net cash used in investing activities	(109)	(571)
Cash flows from financing activities		
Profits remitted to Head Office	(14,322)	(7,214)
Net cash used in financing activities	(14,322)	(7,214)
Net increase in cash for the year	54,483	38,428
Cash and cash equivalents, net - beginning of year	177,030	138,602
Cash and cash equivalents, net - end of year	231,513	177,030
Cash and cash equivalents, net - comprise:		
Cash and cash equivalents	50,175	40,152
Due from banks	322,352	244,164
Due to banks	(101,369)	(76,190)
	271,158	208,126
Mandatory reserve deposits with Eastern Caribbean Central Bank	(39,645)	(31,096)
	231,513	177,030

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

Emphasis of Matter - Restriction on Use and Distribution

Our auditor's 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. 20 of 2015 and the Income Tax Act of the Laws of Grenada. 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
Kingstown, St. Vincent and the Grenadines
January 11, 2019