

THE BANK OF NOVA SCOTIA - ST. VINCENT 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	36,393	36,406
Due from banks	76,952	86,014
Loans and advances to customers	339,845	353,148
Current tax assets	5,464	1,094
Property and equipment	459	791
Deferred tax assets	170	170
Other assets	64	5,766
Total assets	459,347	483,389
Liabilities		
Customer deposits	373,296	393,294
Due to banks	74,433	74,135
Other liabilities	8,460	10,633
Total liabilities	456,189	478,062
Equity		
Retained earnings	3,158	5,327
Total equity	3,158	5,327
Total liabilities and equity	459,347	483,389

Approved by:

Pamela Herbert-Daniel (Mrs.)
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	25,355	26,793
Interest expense	5,752	5,848
Net interest income	19,603	20,945
Non-interest income	9,393	9,117
Total revenue	28,996	30,062
Non-interest expenses	14,768	16,754
Provision for credit losses	2,181	2,747
Total expenses	16,949	19,501
Profit before tax	12,047	10,561
Income tax expense	2,065	2,935
Net profit for the year, being total comprehensive income	9,982	7,626

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 - St. Vincent 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 equity and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia - St. Vincent 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 Equity - For the year ended October 31, 2018 (Expressed in thousands of Eastern Caribbean dollars)

	Reserves	Retained earnings	Total
Balance at October 31, 2016	8,538	(8,378)	160
Net profit for the year	-	7,626	7,626
Remittances to Head Office	-	(2,459)	(2,459)
Transfer from reserves	(8,538)	8,538	-
Balance at October 31, 2017	-	5,327	5,327
Net profit for the year	-	9,982	9,982
Remittances to Head Office	-	(12,151)	(12,151)
Balance at October 31, 2018	-	3,158	3,158

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	9,982	7,626
<i>Adjustments for:</i>		
Provision for credit losses	2,181	2,747
Depreciation	516	313
Interest income	(25,355)	(26,793)
Interest expense	5,752	5,848
Income tax expense	2,065	2,935
	(4,859)	(7,324)
Changes in operating assets and liabilities		
Decrease (increase) in loans, net	10,712	(5,693)
Decrease (increase) in other assets	5,702	(5,742)
Decrease in mandatory reserve deposits with Eastern Caribbean Central Bank	461	1,227
Decrease in other liabilities	(2,172)	(1,631)
Decrease in customer deposits	(19,948)	(2,497)
Cash used in operations	(10,104)	(21,660)
Corporation tax paid	(6,435)	(970)
Interest received	25,763	26,771
Interest paid	(5,801)	(5,928)
Net cash from (used in) operating activities	3,423	(1,787)
Cash flows from investing activities		
Purchase of property and equipment	(184)	(36)
Net cash used in investing activities	(184)	(36)
Cash flows from financing activities		
Profits remitted to Head Office	(12,151)	(2,459)
Net cash used in financing activities	(12,151)	(2,459)
Net decrease in cash for the year	(8,912)	(4,282)
Cash and cash equivalents, net - beginning of year	25,590	29,872
Cash and cash equivalents, net - end of year	16,678	25,590
Cash and cash equivalents, net - comprise:		
Cash and cash equivalents	36,393	36,406
Due from banks	76,952	86,014
Due to banks	(74,433)	(74,135)
	38,912	48,285
Mandatory reserve deposits with Eastern Caribbean Central Bank	(22,234)	(22,695)
	16,678	25,590

*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 Section 69 (2) and the Income Tax Act of the Laws of St. Vincent and the Grenadines. 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