

# THE BANK OF NOVA SCOTIA - ST. KITTS AND NEVIS BRANCHES

## 2017 SUMMARY FINANCIAL STATEMENTS



### Summary Statement of Financial Position

As at October 31, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
<b>Assets</b>		
Cash	5,460,941	5,509,337
Deposits with the Eastern Caribbean Central Bank	201,075,671	152,650,260
Due from banks	1,261,822,236	964,495,898
Securities	1,527,474	761,760
Loans	385,937,473	395,646,381
Property and equipment	3,003,023	3,380,532
Other assets	19,093	6,229,074
Deferred tax asset	850,557	280,938
Cheques and other items in transit, net	5,476,999	3,883,769
<b>Total Assets</b>	<b>1,865,173,467</b>	<b>1,532,837,949</b>
<b>Liabilities and Head Office Account</b>		
Deposits	726,815,909	685,996,270
Due to banks	1,123,867,790	820,251,386
Other liabilities	11,957,201	13,654,444
Tax payable	1,706,770	2,834,007
Due to Head Office	825,797	10,101,842
<b>Total Liabilities and Head Office Account</b>	<b>1,865,173,467</b>	<b>1,532,837,949</b>

Approved by Management

Gordon Julien  
Country Manager

Colleen Cyrus (Mrs.)  
Director Finance,  
Caribbean East Regional District

### Summary Statement of Changes in Head Office Account

For the year ended October 31, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$
<b>Balance at October 31, 2015</b>	7,028,274
Total comprehensive income for the year	15,342,566
Net advances to Head Office	(12,268,998)
<b>Balance at October 31, 2016</b>	10,101,842
Total comprehensive income for the year	7,912,388
Net advances to Head Office	(17,188,433)
<b>Balance at October 31, 2017</b>	<b>825,797</b>

### Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
<b>Interest income:</b>		
Loans	33,453,517	34,517,383
Head Office and other related banks	6,308,472	5,134,294
Securities	44,288	44,288
<b>Total interest income</b>	<b>39,806,277</b>	<b>39,695,965</b>
<b>Interest expense</b>	<b>(10,595,972)</b>	<b>(10,239,241)</b>
<b>Net interest income</b>	<b>29,210,305</b>	<b>29,456,724</b>
<b>Other income</b>	<b>24,700,565</b>	<b>24,242,180</b>
<b>Net interest and other income</b>	<b>53,910,870</b>	<b>53,698,904</b>
<b>Non-interest expenses:</b>		
Salaries and staff benefits	5,893,948	5,695,149
Premises and equipment expenses	3,815,798	3,460,836
Depreciation	748,852	855,065
Provision for credit losses	3,198,652	3,017,004
Head Office expenses	1,852,686	1,075,816
Other expenses	23,334,223	16,788,689
<b>Total non-interest expenses</b>	<b>38,844,159</b>	<b>30,892,559</b>
<b>Profit before tax</b>	<b>15,066,711</b>	<b>22,806,345</b>
<b>Income tax expense</b>	<b>(7,154,323)</b>	<b>(7,463,779)</b>
<b>Profit for the year</b>	<b>7,912,388</b>	<b>15,342,566</b>
<b>Total comprehensive income for the year</b>	<b>7,912,388</b>	<b>15,342,566</b>

### Summary Statement of Cash Flows

For the year ended October 31, 2017

(expressed in Eastern Caribbean dollars)

	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Profit before taxation	15,066,711	22,806,345
Provision for credit losses	3,198,652	3,017,004
Depreciation	748,852	855,065
Gain on disposal of property & equipment	-	(1,500)
Interest income	(39,806,277)	(39,695,965)
Interest expense	10,595,972	10,239,241
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(10,196,090)</b>	<b>(2,779,810)</b>
Change in loans, net	6,750,030	(4,396,343)
Change in other assets and liabilities, net	2,919,508	5,330,719
Change in deposits	40,794,477	(260,640,039)
<b>Cash from/(used in) operating activities</b>	<b>40,267,925</b>	<b>(262,485,473)</b>
Income tax paid	(8,851,179)	(7,874,472)
Interest received	39,566,503	35,882,713
Interest paid	(10,570,810)	(6,540,049)
<b>Net cash from/(used in) operating activities</b>	<b>60,412,439</b>	<b>(241,017,281)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(371,343)	(140,359)
Proceeds from disposal of property and equipment	-	1,500
Purchase of securities	(765,714)	-
<b>Net cash used in investing activities</b>	<b>(1,137,057)</b>	<b>(138,859)</b>
<b>Cash flows from financing activity</b>		
Net advances to Head Office	(17,188,433)	(12,268,998)
<b>Net cash used in financing activity</b>	<b>(17,188,433)</b>	<b>(12,268,998)</b>
<b>Net increase/(decrease) in cash and cash equivalents for the year</b>	<b>42,086,949</b>	<b>(253,425,138)</b>
Cash and cash equivalents, beginning of year	302,404,109	555,829,247
<b>Cash and cash equivalents, end of year</b>	<b>344,491,058</b>	<b>302,404,109</b>
<b>Cash and cash equivalents comprise:</b>		
Cash	5,460,941	5,509,337
Deposits with Eastern Caribbean Central Bank	201,075,671	152,650,260
Due from other banks	1,261,822,236	964,495,898
Due to other banks	(1,123,867,790)	(820,251,386)
	<b>344,491,058</b>	<b>302,404,109</b>

### 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 Thomsson
Eduardo Pacheco Cortes	Michael D. Penner
Brian Johnston Porter	

### INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Country Manager of  
The Bank of Nova Scotia – St. Kitts and Nevis Branches

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at October 31, 2017, the summary statements of changes in Head Office Account, profit or loss and other comprehensive income and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia – St. Kitts and Nevis Branches ("the Bank") for the year ended October 31, 2017.

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 8, 2018.

#### Emphasis of Matter - Restriction on Use and Distribution

Our auditors' report dated January 8, 2018 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. 1 of 2015 of the Laws of St. Kitts and Nevis. 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 8, 2018