

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

## 2016 FINANCIAL STATEMENTS



### Summary Statement of Financial Position

October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016 \$	2015 \$
<b>Assets</b>		
Cash	5,509,337	6,264,287
Deposits with the Eastern Caribbean Central Bank	152,650,260	148,817,976
Due from banks	964,495,898	1,062,821,663
Securities	761,760	761,760
Loans	395,646,381	394,358,325
Property and equipment	3,380,532	4,095,238
Other assets	6,229,074	4,861,144
Deferred tax asset	280,938	-
Cheques and other items in transit, net	3,883,769	5,409,535
<b>Total Assets</b>	<b>1,532,837,949</b>	<b>1,627,389,928</b>
<b>Liabilities and Head Office Account</b>		
Deposits	685,996,270	946,841,651
Due to banks	820,251,386	662,074,679
Other liabilities	13,654,444	9,022,011
Tax payable	2,834,007	2,372,953
Deferred tax	-	50,360
Due to Head Office	10,101,842	7,028,274
<b>Total Liabilities and Head Office Account</b>	<b>1,532,837,949</b>	<b>1,627,389,928</b>

Approved by Management

Dave Ramsumair  
Country Manager

Colleen Cyrus (Mrs)  
Chief Financial Officer

### Summary Statement of Changes in Head Office Account

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016 \$
<b>Balance at October 31, 2014</b>	17,072,708
Total comprehensive income for the year	13,966,594
Net advances to Head Office	(24,011,028)
<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>	<b>10,101,842</b>

### Summary Statement of Comprehensive Income

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016 \$	2015 \$
<b>Interest income:</b>		
Loans	34,517,383	33,302,219
Head Office and other related banks	5,134,294	6,770,032
Securities	44,288	59,050
<b>Total interest income</b>	<b>39,695,965</b>	<b>40,131,301</b>
<b>Interest expense</b>	<b>(10,239,241)</b>	<b>(13,594,274)</b>
<b>Net interest income</b>	<b>29,456,724</b>	<b>26,537,027</b>
<b>Other income</b>	<b>24,242,180</b>	<b>21,393,500</b>
<b>Net interest and other income</b>	<b>53,698,904</b>	<b>47,930,527</b>
<b>Non-interest expenses:</b>		
Salaries and staff benefits	5,695,149	5,332,094
Premises and equipment expenses	3,460,836	3,648,101
Depreciation	855,065	892,721
Provision for/(recovery of) credit losses	3,017,004	(15,069)
Head Office expenses	1,075,816	2,656,759
Other expenses	16,788,689	14,790,715
<b>Total non-interest expenses</b>	<b>30,892,559</b>	<b>27,305,321</b>
<b>Net profit before taxation</b>	<b>22,806,345</b>	<b>20,625,206</b>
<b>Taxation</b>	<b>(7,463,779)</b>	<b>(6,658,612)</b>
<b>Profit for the year</b>	<b>15,342,566</b>	<b>13,966,594</b>
<b>Total comprehensive income for the year</b>	<b>15,342,566</b>	<b>13,966,594</b>

The Bank of Nova Scotia:  
Fort Street, St. Kitts  
Bird Rock, St. Kitts  
Charlestown, Nevis

### Summary Statement of Cash Flows

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Profit before taxation	22,806,345	20,625,206
Provision for/(recovery of) credit losses	3,017,004	(15,069)
Depreciation	855,065	892,721
Gain on disposal of property & equipment	(1,500)	(63,000)
Interest income	(39,695,965)	(40,131,301)
Interest expense	10,239,241	13,594,274
<b>Operating loss before changes in operating assets and liabilities</b>	<b>(2,779,810)</b>	<b>(5,097,169)</b>
Change in loans, net	(4,396,343)	(6,666,487)
Change in other assets and liabilities, net	5,330,719	(5,916,764)
Change in deposits	(260,640,039)	29,350,052
<b>Cash (used in)/provided by operating activities</b>	<b>(262,485,473)</b>	<b>11,669,632</b>
Income tax paid	(7,874,472)	(4,108,674)
Interest received	35,882,713	40,137,089
Interest paid	(6,540,049)	(13,893,732)
<b>Net cash (used in)/provided by operating activities</b>	<b>(241,017,281)</b>	<b>33,804,315</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(140,359)	(460,194)
Proceeds from disposals of property, plant and equipment	1,500	63,000
<b>Net cash used in investing activities</b>	<b>(138,859)</b>	<b>(397,194)</b>
<b>Cash flows from financing activity</b>		
Net advances to Head Office	(12,268,998)	(24,011,028)
<b>Net cash used in financing activity</b>	<b>(12,268,998)</b>	<b>(24,011,028)</b>
<b>Net (decrease)/increase in cash and cash equivalents for the year</b>	<b>(253,425,138)</b>	<b>9,396,093</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>555,829,247</b>	<b>546,433,154</b>
<b>Cash and cash equivalents, end of year</b>	<b>302,404,109</b>	<b>555,829,247</b>
Cash and cash equivalents comprise:		
Cash	5,509,337	6,264,287
Deposits with Eastern Caribbean Central Bank	152,650,260	148,817,976
Due from other banks	964,495,898	1,062,821,663
Due to other banks	(820,251,386)	(662,074,679)
	<b>302,404,109</b>	<b>555,829,247</b>

### SCOTIABANK BOARD OF DIRECTORS

Nora A. Aufreiter	John C. Kerr, C.M., O.B.C., LL.D.
Guillermo E. Babatz	Thomas C. O'Neill
Ronald A. Brenneman	Brian J. Porter
C.J. Chen	Aaron W. Regent
Charles H. Dallara, Ph.D.	Indira V. Samarasekera, O.C., Ph.D.
David A. Dodge, O.C.	Susan L. Segal
N. Ashleigh Everett	Paul D. Sobey
William R. Fatt	Barbara S. Thomas

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

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

of accounting applied in the preparation of the audited financial statements.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

#### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of The Bank of Nova Scotia – St. Kitts and Nevis Branches as at and for the year ended October 31, 2016 are consistent, in all material respects, with those financial statements in accordance with the basis of accounting applied in the preparation of the audited financial statements.

The accompanying summary financial statements, which comprise the summary statement of financial position as at October 31, 2016, the summary statement of profit or loss and other comprehensive income, summary statement of changes in head office account and reserve and summary statement of 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 as at and for the year ended October 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated January 25, 2017.

The summary financial statements do not contain all the disclosures required by the alternative basis of accounting applied in the preparation of the audited financial statements of The Bank of Nova Scotia - St. Kitts and Nevis Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - St. Kitts and Nevis Branches.

Management's Responsibility for the Summary Financial Statements  
Management is responsible for the preparation of a summary of the audited financial statements in accordance with the basis

Chartered Accountants  
Antigua and Barbuda  
January 25, 2017