

THE BANK OF NOVA SCOTIA - DOMINICA BRANCH 2016 FINANCIAL STATEMENTS



Summary Statement of Financial Position

October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016	2015
	\$	\$
Assets		
Cash	2,064,443	2,435,678
Deposit with the Eastern Caribbean Central Bank	21,914,340	19,452,194
Due from other banks	99,432,818	61,380,720
Loans and advances, net	179,522,844	196,302,370
Property and equipment	4,948,420	5,329,117
Deferred tax asset	3,721,890	2,901,911
Other assets	1,510,801	191,928
Total Assets	313,115,556	287,993,918
Liabilities and Head Office Account		
Cheques and other items in transit, net	-	12,120
Due to other banks	26,113,075	1,240,234
Deposits from customers	247,241,389	252,047,368
Other liabilities	2,521,463	4,046,958
Taxation payable	1,441,024	797,106
Loan loss reserve	-	629,000
Due to Head Office	35,798,605	29,221,132
Total Liabilities and Head Office Account	313,115,556	287,993,918

Approved by Management

Paula Harts
Country Manager

Colleen Cyrus (Mrs)
Chief Financial Officer

Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016	2015
	\$	\$
Interest income:		
Loans	14,290,962	15,363,755
Head Office and other branches	434,401	500,044
Total interest income	14,725,363	15,863,799
Interest expense	(4,100,907)	(4,909,332)
Net interest income	10,624,456	10,954,467
Other income	6,046,125	5,411,184
Net interest and other income	16,670,581	16,365,651
Non-interest expenses:		
Other expenses	4,152,919	6,875,238
Salaries and staff benefits	3,090,876	3,306,053
Head Office expenses	682,341	2,070,808
Provision for credit losses	2,940,633	1,160,714
Premises and equipment	1,004,922	980,679
Depreciation	500,952	532,854
Total non-interest expenses	12,372,643	14,926,346
Profit before taxation	4,297,938	1,439,305
Taxation (expense)/credit	(1,272,388)	1,454,667
Profit for the year	3,025,550	2,893,972
Total comprehensive income	3,025,550	2,893,972

Summary Statement of Changes in Head Office Account and Reserve

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	Loan Loss Reserve	Due to Head Office	Total
	\$	\$	\$
Balance at October 31, 2014	-	21,601,531	21,601,531
Transfer to loan loss reserve	629,000	(629,000)	-
Total comprehensive income for the year	-	2,893,972	2,893,972
Net advances from Head Office	-	5,354,629	5,354,629
Balance at October 31, 2015	629,000	29,221,132	29,850,132
Transfer from loan loss reserve	(629,000)	629,000	-
Total comprehensive income for the year	-	3,025,550	3,025,550
Net advances from Head Office	-	2,922,923	2,922,923
Balance at October 31, 2016	-	35,798,605	35,798,605

Summary Statement of Cash Flows

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

	2016	2015
	\$	\$
Cash flows from operating activities		
Profit before taxation	4,297,938	1,439,305
Provision for credit losses	2,940,633	1,160,714
Depreciation	500,952	532,854
Loss on disposal of property and equipment	-	75,803
Interest income	(14,725,363)	(15,863,799)
Interest expense	4,100,907	4,909,332
Operating loss before changes in operating assets and liabilities	(2,884,933)	(7,745,791)
Change in loans	13,748,427	15,821,290
Change in other assets and liabilities	(2,856,489)	1,042,368
Change in deposits	(4,527,997)	(369,673)
Cash from operations	3,479,008	8,748,194
Income tax paid	(1,448,449)	(1,887,721)
Interest received	14,815,829	15,890,193
Interest paid	(4,378,888)	(4,830,962)
Net cash from operating activities	12,467,500	17,919,704
Cash flows from investing activity		
Purchase of property and equipment	(120,255)	(140,040)
Net cash used in investing activity	(120,255)	(140,040)
Cash flows from financing activity		
Net advances from Head Office	2,922,923	5,354,629
Net cash from financing activity	2,922,923	5,354,629
Net increase in cash and cash equivalents for the year	15,270,168	23,134,293
Cash and cash equivalents, beginning of year	82,028,358	58,894,065
Cash and cash equivalents, end of year	97,298,526	82,028,358
Represented by:		
Cash	2,064,443	2,435,678
Deposit with Eastern Caribbean Central Bank	21,914,340	19,452,194
Due from other banks	99,432,818	61,380,720
Due to other banks	(26,113,075)	(1,240,234)
	97,298,526	82,028,358

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. Brennehan	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 - Dominica Branch

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, the summary statement of changes in head office account and reserve and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia - Dominica Branch 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 basis of accounting applied in the preparation of the audited financial statements of The Bank of Nova Scotia - Dominica Branch. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - Dominica Branch.

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 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 - Dominica Branch 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.

Chartered Accountants
St. John's, Antigua
January 25, 2017