

Summary Statement of Financial Position

As at October 31, 2017

(expressed in Eastern Caribbean dollars)

| | 2017 | 2016 |
|--------------------------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Assets | | |
| Cash | 10,873,031 | 8,902,678 |
| Deposits with the Eastern Caribbean Central Bank | 78,450,813 | 77,032,904 |
| Due from banks | 1,342,611,723 | 975,884,353 |
| Loans | 719,063,498 | 745,658,514 |
| Property and equipment | 9,649,898 | 9,246,224 |
| Other assets | 416,474 | 5,013 |
| Deferred tax asset | 451,297 | 466,496 |
| Cheques and other items in transit, net | 519,111 | - |
| Total Assets | 2,162,035,845 | 1,817,196,182 |
| Liabilities and Head Office Account | | |
| Deposits | 1,079,101,616 | 970,757,984 |
| Cheques and other items in transit, net | - | 65,442 |
| Taxes payable | 4,150,205 | 3,947,476 |
| Other liabilities | 9,951,922 | 8,389,198 |
| Due to banks | 1,063,996,752 | 827,174,464 |
| Loan loss reserve | 50,206 | 340,000 |
| Due to Head Office | 4,785,144 | 6,521,618 |
| Total Liabilities and Head Office Account | 2,162,035,845 | 1,817,196,182 |


Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2017

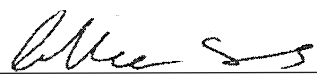
(expressed in Eastern Caribbean dollars)

| | 2017 | 2016 |
|----------------------------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Interest income: | | |
| Loans | 57,945,154 | 56,868,480 |
| Head Office and other related banks | 3,779,870 | 2,695,176 |
| Total interest income | 61,725,024 | 59,563,656 |
| Interest expense | (12,293,834) | (11,396,675) |
| Net interest income | 49,431,190 | 48,166,981 |
| Other income | 32,371,910 | 31,989,269 |
| Net interest and other income | 81,803,100 | 80,156,250 |
| Non-interest expenses: | | |
| Salaries and staff benefits | 12,242,420 | 11,779,422 |
| Head Office expenses | 2,423,630 | 2,748,223 |
| Premises and equipment expenses | 3,592,901 | 3,555,131 |
| Provision for credit losses | 4,783,760 | 2,378,471 |
| Depreciation | 488,826 | 515,860 |
| Other expenses | 20,848,916 | 17,849,580 |
| Total non-interest expenses | 44,380,453 | 38,826,687 |
| Profit before tax | 37,422,647 | 41,329,563 |
| Income tax expense | (9,182,089) | (9,968,964) |
| Profit for the year | 28,240,558 | 31,360,599 |
| Total profit and other comprehensive income | 28,240,558 | 31,360,599 |

Approved by Management on January 8, 2018



Roger Archer
Country Manager



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

SCOTIABANK BOARD OF DIRECTORS

Nora Anne Aufreiter
Guillermo Enrique Babatz
Scott Wayne Barclay Bonham
Charles Harry Dallara
Richard Tiffany (Tiff) Macklem
Thomas Charles O'Neill
Eduardo Pacheco Cortes
Brian Johnston Porter

Una Marie Power
Aaron William Regent
Indira Vasanti Samarasekera
Susan Louise Segal
Barbara Susan Thomas
Lawren Scott Thomson
Michael D. Penner

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

To the Country Manager of
The Bank of Nova Scotia - Antigua 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 – Antigua 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. 10 of 2015 of the Laws of Antigua and Barbuda. 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

Summary Statement of Cash Flows

For the year ended October 31, 2017
(expressed in Eastern Caribbean dollars)

| | 2017 \$ | 2016 \$ |
|--------------------------------------------------------------------------|---------------------|----------------------|
| Cash flows from operating activities | | |
| Profit before tax | 37,422,647 | 41,329,563 |
| Provision for credit losses | 4,783,760 | 2,378,471 |
| Depreciation | 488,826 | 515,860 |
| Interest income | (61,725,024) | (59,563,656) |
| Interest expense | 12,293,834 | 11,396,675 |
| Cash flows before changes in operating assets and liabilities | (6,735,957) | (3,943,087) |
| Change in loans, net | 21,517,044 | (18,678,019) |
| Change in other assets and liabilities, net | 242,689 | 596,429 |
| Change in deposits | 108,533,686 | (125,147,868) |
| Cash from/(used in) operating activities | 123,557,462 | (147,172,545) |
| Income tax paid | (8,964,163) | (5,390,984) |
| Interest received | 62,019,236 | 59,739,196 |
| Interest paid | (12,483,888) | (12,091,167) |
| Net cash generated from/(used in) operations | 164,128,647 | (104,915,500) |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (568,477) | (194,601) |
| Net cash used in investing activities | (568,477) | (194,601) |
| Cash flows from financing activity | | |
| Net advances to Head Office | (30,266,826) | (59,410,846) |
| Net cash used in financing activity | (30,266,826) | (59,410,846) |
| Net increase/(decrease) in cash and cash equivalents for the year | 133,293,344 | (164,520,947) |
| Cash and cash equivalents, beginning of year | 234,645,471 | 399,166,418 |
| Cash and cash equivalents, end of year | 367,938,815 | 234,645,471 |
| Cash and cash equivalents comprise: | | |
| Cash | 10,873,031 | 8,902,678 |
| Deposits with the Eastern Caribbean Central Bank | 78,450,813 | 77,032,904 |
| Due from banks | 1,342,611,723 | 975,884,353 |
| Due to banks | (1,063,996,752) | (827,174,464) |
| | 367,938,815 | 234,645,471 |

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2017

(expressed in Eastern Caribbean dollars)

| | Loan Loss Reserve \$ | Due to Head Office \$ | Total \$ |
|----------------------------------------------------------|-------------------------|--------------------------|------------------|
| Balance at October 31, 2015 | 340,000 | 34,571,865 | 34,911,865 |
| Total profit and other comprehensive income for the year | - | 31,360,599 | 31,360,599 |
| Net advances to Head Office | - | (59,410,846) | (59,410,846) |
| Balance at October 31, 2016 | 340,000 | 6,521,618 | 6,861,618 |
| Total profit and other comprehensive income for the year | - | 28,240,558 | 28,240,558 |
| Transfer to reserve | (289,794) | 289,794 | - |
| Net advances to Head Office | - | (30,266,826) | (30,266,826) |
| Balance at October 31, 2017 | 50,206 | 4,785,144 | 4,835,350 |