

Summary Statement of Financial Position

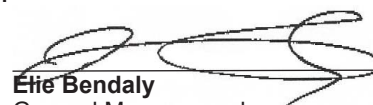
As at October 31, 2016

(expressed in Eastern Caribbean dollars)

| | 2016 | 2015 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Assets | | |
| Cash resources | | |
| Cash | 9,239,029 | 9,870,424 |
| Deposits with Eastern Caribbean Central Bank | 58,647,736 | 42,281,435 |
| Due from other banks | 426,253,461 | 353,808,785 |
| | <u>494,140,226</u> | <u>405,960,644</u> |
| Loans | <u>1,042,481,407</u> | <u>1,063,493,510</u> |
| Other | | |
| Plant and equipment | 3,989,929 | 4,791,029 |
| Deferred tax asset | 5,388,860 | 5,558,659 |
| Cheques and other items in transit, net | 3,734,946 | 4,271,224 |
| Other assets | - | 82,006 |
| | <u>13,113,735</u> | <u>14,702,918</u> |
| | <u>1,549,735,368</u> | <u>1,484,157,072</u> |
| Liabilities | | |
| Deposits | <u>764,738,101</u> | <u>723,020,840</u> |
| Other | | |
| Due to other banks | 500,764,938 | 445,874,559 |
| Taxes payable | 380,716 | 6,847,057 |
| Other liabilities | 14,869,411 | 11,005,210 |
| | <u>516,015,065</u> | <u>463,726,826</u> |
| Head Office account | | |
| Due to Head Office | 268,982,202 | 294,398,406 |
| Loan loss reserve | - | 3,011,000 |
| | <u>268,982,202</u> | <u>297,409,406</u> |
| | <u>1,549,735,368</u> | <u>1,484,157,072</u> |

Approved on January 24, 2017

By:



Elie Bendaly
General Manager and
Country Head



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 | 70,787,032 | 76,451,224 |
| Head Office and other related banks | 5,727,918 | 5,689,394 |
| Securities | 251,767 | 185,133 |
| Total interest income | <u>76,766,717</u> | <u>82,325,751</u> |
| Interest expense | <u>(18,510,375)</u> | <u>(21,602,032)</u> |
| Net interest income | <u>58,256,342</u> | <u>60,723,719</u> |
| Other income | <u>33,706,907</u> | <u>31,551,232</u> |
| Net interest and other income | <u>91,963,249</u> | <u>92,274,951</u> |
| Non-interest expenses | | |
| Provision for credit losses | (11,337,730) | (9,000,896) |
| Other expenses | (15,993,119) | (20,048,562) |
| Salaries and staff benefits | (9,364,392) | (9,812,699) |
| Head Office expenses | (6,639,042) | (7,792,569) |
| Premises and equipment expenses | (5,645,206) | (6,032,232) |
| Depreciation | (1,180,404) | (1,520,275) |
| Total non-interest expenses | <u>(50,159,893)</u> | <u>(54,207,233)</u> |
| Profit before tax | <u>41,803,356</u> | <u>38,067,718</u> |
| Income tax expense | <u>(13,051,831)</u> | <u>(12,448,088)</u> |
| Profit for the year, being total comprehensive income for the year | <u>28,751,525</u> | <u>25,619,630</u> |

Summary Statement of Changes in Head Office Account and Loan Loss Reserve

For the year ended October 31, 2016

(expressed in Eastern Caribbean dollars)

| | Head Office Account | Loan Loss Reserve | Total |
|--|---------------------|-------------------|--------------------|
| | \$ | \$ | \$ |
| Balance as at October 31, 2014 | 335,906,966 | 64,978,177 | 400,885,143 |
| Profit and total comprehensive income for the year | 25,619,630 | - | 25,619,630 |
| Loan loss reserve | 61,967,177 | (61,967,177) | - |
| Net remittances to Head Office | (129,095,367) | - | (129,095,367) |
| Balance as at October 31, 2015 | <u>294,398,406</u> | <u>3,011,000</u> | <u>297,409,406</u> |
| Profit and total comprehensive income for the year | 28,751,525 | - | 28,751,525 |
| Loan loss reserve | 3,011,000 | (3,011,000) | - |
| Net remittances to Head Office | (57,178,729) | - | (57,178,729) |
| Balance as at October 31, 2016 | <u>268,982,202</u> | <u>-</u> | <u>268,982,202</u> |

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 for the year | 28,751,525 | 25,619,630 |
| Adjustments for: | | |
| Provision for credit losses | 11,337,730 | 9,000,896 |
| Depreciation | 1,180,404 | 1,520,275 |
| Gain on disposal of plant and equipment | - | (26,000) |
| Income tax expense | 13,051,831 | 12,448,088 |
| Interest income | (76,766,717) | (82,325,751) |
| Interest expense | 18,510,375 | 21,602,032 |
| Changes in operating assets and liabilities | (3,934,852) | (12,160,830) |
| Decrease in loans, net | 7,395,129 | 109,810,580 |
| Increase/(Decrease) in other assets and liabilities, net | 4,482,486 | (3,078,074) |
| Increase/(Decrease) in deposits | 41,662,488 | (21,718,356) |
| Cash from operations | <u>49,605,251</u> | <u>72,853,320</u> |
| Income tax paid | (19,348,373) | (5,915,733) |
| Interest received | 79,045,960 | 80,341,443 |
| Interest paid | (18,455,602) | (21,555,303) |
| Net cash from operating activities | <u>90,847,236</u> | <u>125,723,727</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of plant and equipment | - | 26,000 |
| Purchase of plant and equipment | (379,304) | (369,404) |
| Net cash used in investing activities | <u>(379,304)</u> | <u>(343,404)</u> |
| Cash flows from financing activity | | |
| Net financing to Head Office, being net cash used in financing activity | (57,178,729) | (129,095,367) |
| Net increase/(decrease) in cash and cash equivalents for the year | <u>33,289,203</u> | <u>(3,715,044)</u> |
| Cash and cash equivalents – beginning of year | <u>(39,913,915)</u> | <u>(36,198,871)</u> |
| Cash and cash equivalents – end of year | <u>(6,624,712)</u> | <u>(39,913,915)</u> |
| Cash and cash equivalents comprise: | | |
| Cash | 9,239,029 | 9,870,424 |
| Deposits with Eastern Caribbean Central Bank | 58,647,736 | 42,281,435 |
| Due from other banks | 426,253,461 | 353,808,785 |
| Due to other banks | (500,764,938) | (445,874,559) |
| | <u>(6,624,712)</u> | <u>(39,913,915)</u> |

SCOTIABANK BOARD OF DIRECTORS

| | |
|---------------------------|-------------------------------------|
| Nora A. Aufreiter | Thomas C. O'Neill |
| Guillermo E. Babatz | Brian J. Porter |
| Ronald A. Brennenman | Aaron W. Regent |
| Richard Tiffany Macklem | Indira V. Samarasekera, O.C., Ph.D. |
| Charles H. Dallara, Ph.D. | Susan L. Segal |
| Eduardo Pacheco Cortes | Paul D. Sobey |
| N. Ashleigh Everett | Barbara S. Thomas |
| William R. Fatt | |

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

The General Manager and Country Head
The Bank of Nova Scotia – Saint Lucia Branches

The accompanying summary financial statements, which comprise the summary statement of financial position as at October 31, 2016, the summary statements of profit or loss and other comprehensive income, changes in Head Office Account and Loan Loss Reserve and cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia – Saint Lucia Branches for the year ended October 31, 2016. We expressed an unmodified audit opinion on those financial statements in our report dated January 24, 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 – Saint Lucia

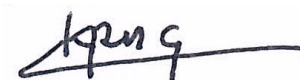
Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia – Saint Lucia Branches.

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 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 – Saint Lucia Branches 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.



KPMG Eastern Caribbean
Castries, Saint Lucia
January 24, 2017