

SCOTIABANK ANGUILLA LIMITED

2016 SUMMARY FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2016

(expressed in Eastern Caribbean Dollars)

	2016	2015
	\$	\$
Assets		
Cash and cash equivalents	56,111,670	47,428,757
Due from related parties	199,147,805	125,487,433
Loans and advances to customers - net	190,296,788	175,977,781
Accrued interest receivable	951,642	760,358
Property and equipment - net	302,877	394,497
Other assets	60,397	59,295
Total Assets	446,871,179	350,108,121
Liabilities and Shareholder's Equity		
Liabilities		
Deposits from customers	314,703,523	240,737,393
Accrued interest payable	177,464	186,177
Due to related parties	41,508,138	34,802,179
Retirement benefit obligation	137,000	137,000
Other liabilities	4,105,956	1,334,649
Total Liabilities	360,632,081	277,197,398
Shareholder's Equity		
Share capital	32,400,000	32,400,000
Statutory reserve	21,596,068	18,930,393
Retained earnings	32,243,030	21,580,330
Total Shareholder's Equity	86,239,098	72,910,723
Total Liabilities and Shareholder's Equity	446,871,179	350,108,121

Summary Statement of Changes in Shareholder's Equity

For the Year Ended October 31, 2016

(expressed in Eastern Caribbean Dollars)

	2016	2015
	\$	\$
Share capital and premium		
Authorized - 20,000,000 shares		
Issued - 12,000,000 shares at \$2.70 (Par value US\$1.00)	32,400,000	32,400,000
Statutory reserve		
Balance at beginning of year	18,930,393	18,345,934
Transfer from retained earnings	2,665,675	584,459
	21,596,068	18,930,393
Loan loss reserve		
Balance at beginning of year	-	2,092,523
Transfer (to)/from retained earnings	-	(2,092,523)
Balance at end of year	-	-
Retained earnings		
Balance at beginning of year	21,580,330	17,149,973
Net profit and comprehensive income	13,328,375	2,922,293
Transfer to statutory reserve	(2,665,675)	(584,459)
Transfer from/(to) loan loss reserve	-	2,092,523
Balance at end of year	32,243,030	21,580,330
	86,239,098	72,910,723

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	14,733,575	4,112,850
Adjustments for:		
Interest income	(17,399,878)	(16,330,736)
Interest expense	1,965,276	1,845,224
(Recovery)/Impairment losses	(1,543,322)	3,324,552
Accounts written off	(338,811)	(1,789,493)
Depreciation	94,587	79,854
Operating losses before changes in operating assets and liabilities	(2,488,573)	(8,757,749)
Change in loans and advances to customers	(12,467,372)	4,442,374
Change in other assets	(1,101)	1,193
Change in deposits from customers	73,966,130	40,520,803
Change in due to related party	-	65,059
Change in other liabilities	2,773,308	(522,810)
Cash from operations	61,782,392	35,748,870
Interest received	17,289,944	16,279,648
Interest paid	(1,488,553)	(1,427,666)
Tax on assets paid	(1,405,200)	(1,190,557)
Net cash from operating activities	76,178,583	49,410,295
Cash flows from investing activities		
Acquisition of property and equipment	(2,967)	(49,293)
Change in due from related party	(73,741,721)	(40,115,497)
Net cash used in investing activities	(73,744,688)	(40,164,790)
Cash flows from financing activities		
Change in due to related parties	6,705,959	(2,660,538)
Interest paid	(456,941)	(545,043)
Net cash provided by/(used in) financing activities	6,249,018	(3,205,581)
Net increase in cash and cash equivalents	8,682,913	6,039,924
Cash and cash equivalents at beginning of year	47,428,757	41,388,833
Cash and cash equivalents at end of year	56,111,670	47,428,757

SCOTIABANK BOARD OF DIRECTORS

David Noel	Evan Webster
Beth Nottage	Claire Jordan
Pamela Herbert-Daniel	

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:		
Cash and cash equivalents	928,060	1,046,678
Investment securities	393,298	103,996
Loans and advances to customers	16,078,520	15,180,062
	17,399,878	16,330,736
Interest expense		
Savings	964,933	822,365
Time deposits	476,623	476,381
Due to related parties	523,720	546,478
	1,965,276	1,845,224
Net interest income	15,434,602	14,485,512
Other income		
Service charges, fees and commissions	6,528,646	5,512,599
Foreign exchange gain - net	496,072	470,653
	7,024,718	5,983,252
Operating income	22,459,320	20,468,764
Operating expenses		
Salaries, bonuses and other allowances	2,108,512	2,062,707
Impairment (recovery)/losses	(1,543,322)	3,324,552
Depreciation	94,587	79,854
Other	7,065,968	10,888,801
	7,725,745	16,355,914
Profit before taxation	14,733,575	4,112,850
Tax on assets	1,405,200	1,190,557
Net profit and comprehensive income	13,328,375	2,922,293

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Country Manager of Scotiabank Anguilla Limited

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 shareholder's equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of Scotiabank Anguilla Limited 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 Scotiabank Anguilla

Limited. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Scotiabank Anguilla Limited.

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 Scotiabank Anguilla Limited 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