

THE BANK OF NOVA SCOTIA - SAINT LUCIA BRANCHES 2013 FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
Assets		
Cash resources		
Cash	9,982,468	11,820,239
Deposits with Eastern Caribbean Central Bank	41,161,987	44,407,944
Due from other banks	86,467,155	56,934,578
	<u>137,611,610</u>	<u>113,162,761</u>
Loans	<u>1,238,225,268</u>	<u>1,299,808,487</u>
Other		
Plant and equipment	7,200,139	9,948,780
Deferred tax asset	4,157,516	7,993,565
Recoverable taxes	10,285,483	8,220,809
Cheques and other items in transit, net	3,519,469	12,313,941
Other assets	201,686	211,641
	<u>25,364,293</u>	<u>38,688,736</u>
	<u>1,401,201,171</u>	<u>1,451,659,984</u>
Liabilities		
Deposits	<u>799,671,372</u>	<u>787,769,505</u>
Other		
Due to other banks	117,013,573	117,707,437
Other liabilities	55,383,701	36,334,620
	<u>172,397,274</u>	<u>154,042,057</u>
Head Office account		
Due to Head Office	368,743,570	504,982,695
Loan loss reserve	60,388,955	4,865,727
	<u>429,132,525</u>	<u>509,848,422</u>
	<u>1,401,201,171</u>	<u>1,451,659,984</u>

Approved on: March 28, 2014

By:

C.A.S. Hinkson
General Manager & Country Head

Linda Jn Bapiste (Ms)
Manager - Operations and Administration

Summary Statement of Profit or Loss and Other Comprehensive Income

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
Interest income		
Loans	84,170,369	83,977,028
Head Office and other related banks	1,944,847	536,973
Securities	85,779	334,128
Total interest income	<u>86,200,995</u>	<u>84,848,129</u>
Interest expense	<u>(23,918,701)</u>	<u>(27,194,044)</u>
Net interest income	<u>62,282,294</u>	<u>57,654,085</u>
Other income	<u>30,914,771</u>	<u>28,576,935</u>
Net interest and other income	<u>93,197,065</u>	<u>86,231,020</u>
Non-interest expenses		
Provision for credit losses	(30,910,427)	(10,346,799)
Other expenses	(18,063,209)	(14,079,589)
Salaries and staff benefits	(10,456,779)	(10,236,987)
Premises and equipment expenses	(5,991,818)	(5,562,634)
Head Office expenses	(7,787,903)	(7,467,409)
Depreciation	(3,070,060)	(2,571,709)
Total non-interest expenses	<u>(76,280,196)</u>	<u>(50,265,127)</u>
Profit before taxation	<u>16,916,869</u>	<u>35,965,893</u>
Taxation	<u>(5,560,271)</u>	<u>(3,133,748)</u>
Profit for the year	<u>11,356,598</u>	<u>32,832,145</u>
Profit and total comprehensive income for the year	<u>11,356,598</u>	<u>32,832,145</u>

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	Head Office Account \$	Loan Loss Reserve \$	Total \$
Balance at October 31, 2011	489,715,388	2,649,975	492,365,363
Profit and total comprehensive income for the year	32,832,145	-	32,832,145
Loan loss reserve	-	2,215,752	2,215,752
Net advances from Head Office	(17,564,838)	-	(17,564,838)
Balance at October 31, 2012	<u>504,982,695</u>	<u>4,865,727</u>	<u>509,848,422</u>
Balance at October 31, 2012	504,982,695	4,865,727	509,848,422
Profit and total comprehensive income for the year	11,356,598	-	11,356,598
Loan loss reserve	(55,523,228)	55,523,228	-
Net advances to Head Office	(92,072,495)	-	(92,072,495)
Balance at October 31, 2013	<u>368,743,570</u>	<u>60,388,955</u>	<u>429,132,525</u>

Summary Statement of Cash Flows

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013 \$	2012 \$
Cash flows from operating activities		
Profit before taxation	16,916,869	35,965,893
Provision for credit losses	30,910,427	10,346,799
Depreciation	3,070,060	2,571,709
Loss on disposal of plant and equipment	156,503	109,335
Gain on disposal of securities	-	(298,116)
Interest income	(86,200,995)	(84,848,129)
Interest expense	23,918,701	27,194,044
Changes in operating assets and liabilities	(11,228,435)	(8,958,465)
Decrease/(increase) in loans, net	30,860,405	(58,553,767)
Change in other assets and liabilities, net	27,853,508	16,156,332
Increase/(decrease) in deposits	12,452,642	(15,086,170)
Cash from/(used in) operations	<u>59,938,120</u>	<u>(66,442,070)</u>
Corporation tax paid	(3,788,896)	(8,913,753)
Interest received	86,013,382	87,742,508
Interest paid	(24,469,476)	(30,561,865)
Net cash from/(used in) operating activities	<u>117,693,130</u>	<u>(18,175,180)</u>
Cash flows from investing activities		
Proceeds of disposal of securities	-	4,991,647
Purchase of plant and equipment	(477,922)	(275,866)
Net cash (used in)/from investing activities	<u>(477,922)</u>	<u>4,715,781</u>
Cash flows from financing activity		
Net financing to Head Office	(92,072,495)	(17,564,838)
Net cash used in financing activity	<u>(92,072,495)</u>	<u>(17,564,838)</u>
Net increase/(decrease) in cash and cash equivalents for the year	<u>25,142,713</u>	<u>(31,024,237)</u>
Cash and cash equivalents – beginning of year	<u>(4,544,676)</u>	<u>26,479,561</u>
Cash and cash equivalents – end of year	<u>20,598,037</u>	<u>(4,544,676)</u>
Cash and cash equivalents comprise:		
Cash	9,982,468	11,820,239
Deposits with Eastern Caribbean Central Bank	41,161,987	44,407,944
Due from other banks	86,467,155	56,934,578
Due to other banks	(117,013,573)	(117,707,437)
	<u>20,598,037</u>	<u>(4,544,676)</u>

SCOTIABANK BOARD OF DIRECTORS

Ronald A. Brenneman	Susan L. Segal
C.J. Chen	Indira V. Samarasekera, O.C., Ph.D.
David A. Dodge, O.C.	Allan C. Shaw, C.M., LL.D.
N. Ashleigh Everett	Paul D. Sobey
John C. Kerr, C.M., O.B.C., LL.D.	Barbara S. Thomas
John T. Mayberry, C.M.	Richard E. Waugh
Thomas C. O'Neill	

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

The 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, 2013, the summary statements of profit or loss and other comprehensive income, changes in Head Office Account 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, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated March 28, 2014.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards 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.

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, 2013 are consistent, in all material respects, with those financial statements.

KPMG Eastern Caribbean

Castries, Saint Lucia

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The Bank of Nova Scotia - Saint Lucia Branches:
New Dock Road
William Peter Boulevard
Rodney Bay

**THE BANK OF
NOVA SCOTIA**