

THE BANK OF NOVA SCOTIA - ST. LUCIA BRANCHES 2010 FINANCIAL STATEMENTS



Statement of Financial Position

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Assets		
Cash resources		
Cash	10,130,038	10,188,144
Deposits with Eastern Caribbean Central Bank	44,252,455	41,239,846
Due from other banks	31,193,292	77,863,295
	<u>85,575,785</u>	<u>129,291,285</u>
Securities	4,359,393	12,951,678
Loans	1,240,875,888	1,228,777,635
Other		
Property and equipment	12,879,948	12,322,191
Cheques and other items in transit, net	5,094,863	3,223,713
Other assets	139,298	114,549
	<u>18,114,109</u>	<u>15,660,453</u>
	<u>1,348,925,175</u>	<u>1,386,681,051</u>
Liabilities		
Deposits	819,142,123	823,872,210
Other		
Due to other banks	53,764,930	74,351,348
Taxation payable	2,355,607	418,819
Other liabilities	14,163,119	10,305,179
	<u>70,283,656</u>	<u>85,075,346</u>
Head Office account		
Due to Head Office	459,499,396	477,733,495
	<u>1,348,925,175</u>	<u>1,386,681,051</u>

Approved on: April 12, 2011

By:

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

Linda Jn Baptiste (Ms)
Manager - Business Support

Statement of Comprehensive Income

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Interest income		
Loans	94,488,698	81,866,754
Head Office and other related banks	1,837,451	3,521,240
Securities	328,175	585,742
	<u>96,654,324</u>	<u>85,973,736</u>
Total interest income	96,654,324	85,973,736
Interest expense	34,608,864	38,441,874
	<u>62,045,460</u>	<u>47,531,862</u>
Net interest income	62,045,460	47,531,862
Other income	23,476,336	21,060,647
	<u>85,521,796</u>	<u>68,592,509</u>
Net interest and other income	85,521,796	68,592,509
Non-interest expenses		
Provision for credit losses	15,065,008	2,202,657
Other expenses	9,860,382	8,266,376
Salaries and staff benefits	9,357,272	9,134,756
Premises and equipment expenses	5,068,032	6,337,054
Head Office expenses	3,842,957	3,503,094
Depreciation	1,858,777	866,155
	<u>45,052,428</u>	<u>30,310,092</u>
Total non-interest expenses	45,052,428	30,310,092
Profit before taxation	40,469,368	38,282,417
Taxation	17,379,356	12,281,800
	<u>23,090,012</u>	<u>26,000,617</u>
Profit and total comprehensive income for the year	23,090,012	26,000,617

Statement of Changes in Head Office Account

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	Due to Head Office
	\$
Unaudited Balance – October 31, 2008	422,673,704
Profit and total comprehensive income for the year	26,000,617
Net advances from Head Office	29,059,174
	<u>477,733,495</u>
Balance – October 31, 2009	477,733,495
Profit and total comprehensive income for the year	23,090,012
Net advances to head office	(41,324,111)
	<u>459,499,396</u>
Balance – October 31, 2010	459,499,396

Statement of Cash Flows

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Cash flows from operating activities		
Profit before taxation	40,469,368	38,282,417
Provision for credit losses	15,065,008	2,202,657
Depreciation	1,858,777	866,155
Gain on disposal of securities	(479,406)	–
Interest income	(96,654,324)	(85,973,736)
Interest expense	34,608,864	38,441,874
	<u>(5,131,713)</u>	<u>(6,180,633)</u>
Changes in operating assets and liabilities		
Increase in loans, net	(26,836,597)	(25,490,436)
Change in other assets and liabilities, net	1,962,041	25,630,532
(Decrease)/increase in deposits	(4,073,149)	36,124,241
	<u>(34,079,418)</u>	<u>30,083,704</u>
Cash (used in)/ from operations	(34,079,418)	30,083,704
Corporation tax paid	(15,442,566)	(15,831,905)
Interest received	96,327,659	84,494,126
Interest paid	(35,265,802)	(34,807,256)
	<u>11,539,873</u>	<u>63,938,669</u>
Net cash from operating activities	11,539,873	63,938,669
Cash flows from investing activities		
Proceeds of disposal/(purchase) of securities	9,071,691	(2,415,431)
Purchase of property and equipment	(2,416,535)	(4,493,236)
	<u>6,655,156</u>	<u>(6,908,667)</u>
Net cash from/(used in) investing activities	6,655,156	(6,908,667)
Cash flows from financing activities		
Net financing (to)/from Head Office	(41,324,111)	29,059,174
	<u>(41,324,111)</u>	<u>29,059,174</u>
Net cash (used in)/from financing activities	(41,324,111)	29,059,174
Net (decrease)/increase in cash and cash equivalents for the year	(23,129,082)	86,089,176
Cash and cash equivalents – beginning of year	54,939,937	(31,149,239)
Cash and cash equivalents – end of year	31,810,855	54,939,937
Cash and cash equivalents comprise:		
Cash	10,130,038	10,188,144
Deposits with Eastern Caribbean Central Bank	44,252,455	41,239,846
Due from other banks	31,193,292	77,863,295
Due to other banks	(53,764,930)	(74,351,348)
	<u>31,810,855</u>	<u>54,939,937</u>

SCOTIABANK BOARD OF DIRECTORS

Ronald A. Brenneman	Thomas C. O'Neill
C.J. Chen	Alexis E. Rovzar de la Torre
David A. Dodge, O.C.	Indira V. Samarasekera, O.C., Ph.D.
N. Ashleigh Everett	Allan C. Shaw, C.M., LL.D.
John C. Kerr, C.M., O.B.C., LL.D.	Paul D. Sobey
The Honourable Michael J.L. Kirby	Barbara S. Thomas
John T. Mayberry, C.M.	Richard E. Waugh

INDEPENDENT AUDITORS' REPORT

To the Country Manager of
The Bank of Nova Scotia – Saint Lucia Branches

Report on the Abridged Financial Statements

We have audited the financial statements of The Bank of Nova Scotia – Saint Lucia Branches for the year ended October 31, 2010, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing. In our report dated April 12, 2011, we expressed an unqualified opinion on the financial statements from which these abridged financial statements were derived.

Opinion

In our opinion the accompanying abridged financial statements are consistent, in all material respects, with the financial statements from which they are derived.

For a better understanding of The Bank of Nova Scotia – Saint Lucia Branches' financial position and the results of its operations for the year and of the scope of our audit, the abridged financial statements should be read in conjunction with the financial statements from which the abridged financial statements were derived and our audit report thereon.

Chartered Accountants
Castries, St. Lucia
April 12, 2011

*Trademarks of The Bank of Nova Scotia.

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

THE BANK OF
NOVA SCOTIA