

# THE BANK OF NOVA SCOTIA - ST. LUCIA BRANCHES

## 2011 FINANCIAL STATEMENTS



### Summary Statement of Financial Position

As at October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$	2010 \$ (Restated)
<b>Assets</b>		
<b>Cash resources</b>		
Cash	11,498,166	10,130,038
Deposits with Eastern Caribbean Central Bank	39,975,668	44,252,455
Due from other banks	39,920,847	31,193,292
	<u>91,394,681</u>	<u>85,575,785</u>
<b>Securities</b>	4,693,531	4,421,907
<b>Loans</b>	<u>1,252,280,146</u>	<u>1,240,813,374</u>
<b>Other</b>		
Plant and equipment	12,353,958	12,879,948
Deferred tax asset	2,591,975	3,011,273
Taxation recoverable	7,842,394	-
Cheques and other items in transit, net	7,992,701	5,094,863
Other assets	203,130	139,298
	<u>30,984,158</u>	<u>21,125,382</u>
	<u>1,379,352,516</u>	<u>1,351,936,448</u>
<b>Liabilities</b>		
<b>Deposits</b>	806,223,496	819,142,123
<b>Other</b>		
Due to other banks	64,915,120	53,764,930
Taxation payable	-	2,355,607
Other liabilities	15,848,537	14,163,119
	<u>80,763,657</u>	<u>70,283,656</u>
<b>Head Office account</b>		
Due to Head Office	489,715,388	462,510,669
Loan loss reserve	2,649,975	-
	<u>492,365,363</u>	<u>462,510,669</u>
	<u>1,379,352,516</u>	<u>1,351,936,448</u>

### Summary Statement of Comprehensive Income

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$	2010 \$ (Restated)
<b>Interest income</b>		
Loans	88,452,386	94,488,698
Head Office and other related banks	964,710	1,837,451
Securities	<u>331,003</u>	<u>328,175</u>
<b>Total interest income</b>	<u>89,748,099</u>	<u>96,654,324</u>
<b>Interest expense</b>	<u>32,193,611</u>	<u>34,608,864</u>
<b>Net interest income</b>	<u>57,554,488</u>	<u>62,045,460</u>
<b>Other income</b>	<u>24,664,061</u>	<u>23,476,336</u>
<b>Net interest and other income</b>	<u>82,218,549</u>	<u>85,521,796</u>
<b>Non-interest expenses</b>		
Provision for credit losses	18,157,706	15,065,008
Other expenses	11,525,868	9,860,382
Salaries and staff benefits	10,056,587	9,357,272
Premises and equipment expenses	5,284,925	5,068,032
Head Office expenses	8,820,144	3,842,957
Depreciation	1,747,263	1,858,777
<b>Total non-interest expenses</b>	<u>55,592,493</u>	<u>45,052,428</u>
<b>Profit before taxation</b>	<u>26,626,056</u>	<u>40,469,368</u>
<b>Taxation</b>	<u>8,522,114</u>	<u>14,779,882</u>
<b>Profit for the year</b>	<u>18,103,942</u>	<u>25,689,486</u>
<b>Other Comprehensive Income</b>		
Unrealised gain on securities	271,625	-
<b>Profit and total comprehensive income for the year</b>	<u>18,375,567</u>	<u>25,689,486</u>

Approved on: April 12, 2012

By:

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

**Linda Jn Bapiste (Ms)**  
Manager - Operations and Administration

### SCOTIABANK BOARD OF DIRECTORS

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Barbara S. Thomas  
Rick Waugh

### Summary Statement of Changes in Head Office Account

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	Head Office Account \$	Loan Loss Reserve \$	Total \$
<b>Balance as at October 31, 2009 as previously reported</b>	477,733,495	-	477,733,495
Prior period adjustment	411,799	-	411,799
<b>Balance as restated at October 31, 2009</b>	<u>478,145,294</u>	<u>-</u>	<u>478,145,294</u>
Profit and total comprehensive income for the year as previously stated	23,090,012	-	23,090,012
Prior period adjustment	2,599,474	-	2,599,474
Profit and total comprehensive income for the year as restated	25,689,486	-	25,689,486
Net advances to Head Office	(41,324,111)	-	(41,324,111)
<b>Restated balance – October 31, 2010</b>	<u>462,510,669</u>	<u>-</u>	<u>462,510,669</u>
<b>Restated balance – October 31, 2010</b>	<u>462,510,669</u>	<u>-</u>	<u>462,510,669</u>
Profit and total comprehensive income for the year	18,375,567	-	18,375,567
Loan loss reserve	-	2,649,975	2,649,975
Net advances from Head Office	8,829,152	-	8,829,152
<b>Balance at October 31, 2011</b>	<u>489,715,388</u>	<u>2,649,975</u>	<u>492,365,363</u>

\* Trademarks of The Bank of Nova Scotia.

**INDEPENDENT AUDITORS' REPORT**

**Summary Statement of Cash Flows**

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

**Report of the Independent Auditors on the Summary Financial Statements**

**To the Managing Director of  
 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, 2011, the summary statements of 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, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated April 12, 2012.

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, 2011 are consistent, in all material respects, with those financial statements.



**KPMG Eastern Caribbean**  
 April 12, 2012  
 Castries, Saint Lucia

	2011 \$	2010 \$ (Restated)
<b>Cash flows from operating activities</b>		
Profit before taxation	26,626,056	40,469,368
Provision for credit losses	18,157,706	15,065,008
Depreciation	1,747,263	1,858,777
Loss on disposal of plant and equipment	34,975	-
Gain on disposal of securities	-	(479,406)
Interest income	(89,748,099)	(96,654,324)
Interest expense	32,193,611	34,608,864
	<u>(10,988,488)</u>	<u>(5,131,713)</u>
Changes in operating assets and liabilities		
Increase in loans, net	(26,756,769)	(26,836,597)
Change in other assets and liabilities, net	(1,276,252)	1,962,041
Decrease in deposits	(10,464,558)	(4,073,149)
	<u>(49,486,067)</u>	<u>(34,079,418)</u>
Cash used in operations	(49,486,067)	(34,079,418)
Corporation tax paid	(18,300,817)	(15,442,568)
Interest received	89,530,366	96,390,174
Interest paid	(34,647,680)	(35,265,801)
<b>Net cash (used in)/from operating activities</b>	<u>(12,904,198)</u>	<u>11,602,387</u>
<b>Cash flows from investing activities</b>		
Proceeds of disposal of securities	-	9,009,177
Proceeds from disposal of plant and equipment	30,000	-
Purchase of plant and equipment	(1,286,248)	(2,416,535)
<b>Net cash (used in)/from investing activities</b>	<u>(1,256,248)</u>	<u>6,592,642</u>
<b>Cash flows from finance activity</b>		
Net financing from/(to)Head Office	8,829,152	(41,324,111)
<b>Net cash from/(used in) finance activity</b>	<u>8,829,152</u>	<u>(41,324,111)</u>
<b>Net decrease in cash and cash equivalents for the year</b>	<u>(5,331,294)</u>	<u>(23,129,082)</u>
<b>Cash and cash equivalents – beginning of year</b>	<u>31,810,855</u>	<u>54,939,937</u>
<b>Cash and cash equivalents – end of year</b>	<u>26,479,561</u>	<u>31,810,855</u>
<b>Cash and cash equivalents comprise:</b>		
Cash	11,498,166	10,130,038
Deposits with Eastern Caribbean Central Bank	39,975,668	44,252,455
Due from other banks	39,920,847	31,193,292
Due to other banks	(64,915,120)	(53,764,930)
	<u>26,479,561</u>	<u>31,810,855</u>

\*Trademarks of The Bank of Nova Scotia.