


**THE BANK OF NOVA SCOTIA - SAINT LUCIA BRANCHES  
2012 FINANCIAL STATEMENTS**

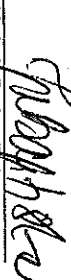


**Summary Statement of Financial Position  
As at October 31, 2012  
(Expressed in Eastern Caribbean dollars)**

Assets	2012	2011
Cash resources		
Cash	11,820,239	11,498,166
Deposits with Eastern Caribbean Central Bank	44,467,644	38,673,638
Due from other banks	56,924,979	59,520,647
Due from other banks	119,192,781	31,354,951
Securities		4,693,531
Loans	1,299,806,487	1,252,289,146
Other		
Plant and equipment	9,949,780	12,353,938
Deferred tax asset	7,883,885	2,891,975
Recoverable taxes	6,220,869	7,842,394
Checkers and other items in transit, net	12,211,641	7,203,120
Other assets	38,636,728	30,984,136
	1,457,659,664	1,379,352,576
Liabilities		
Deposits	787,709,505	806,223,496
Other		
Due to other banks	117,707,437	64,915,120
Taxation payable	36,334,620	15,848,937
Other liabilities	154,042,057	80,783,632
Head Office accounts		
Due to Head Office	864,982,695	469,715,588
Loan loss reserve	2,865,122	2,549,973
	599,828,422	497,353,558
	1,457,659,664	1,379,352,576

Approved on: March 25, 2013

By:   
G.A.S. Hinkson  
General Manager & Country Head

  
Linda J. Baptiste (P.S.)  
Manager, Operations and Administration

**Summary Statement of Comprehensive Income  
For the year ended October 31, 2012  
(Expressed in Eastern Caribbean dollars)**

	2012	2011
Interest Income		
Loans	83,977,028	88,452,366
Head Office and other related banks	536,673	964,710
Securities	334,128	331,003
Total Interest Income	84,848,129	89,748,079
Interest expense	(27,185,054)	(27,183,011)
Net Interest Income	57,663,085	62,565,068
Other Income	28,576,935	24,666,051
Net Interest and other Income	86,239,020	87,231,119
Non-Interest expenses		
Provision for credit losses	(10,346,789)	(18,157,706)
Other expenses	(14,079,389)	(11,325,865)
Salaries and staff benefits	(10,238,887)	(10,056,587)
Premises and equipment expenses	(5,562,834)	(5,294,925)
Head Office expenses	(7,487,409)	(8,920,144)
Depreciation	(6,571,709)	(1,787,253)
Total Non-Interest expenses	(53,293,787)	(69,649,280)
Profit before taxation	33,945,893	26,626,656
Taxation	(3,133,748)	(8,522,144)
Profit for the year	32,812,145	18,103,942
Other comprehensive income		
Unrealized gains/losses on securities		321,675
Profit and total comprehensive income for the year	32,832,145	18,375,617

**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, 2012, 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, 2012. We expressed our unqualified audit opinion on those financial statements in our report dated March 25, 2013.

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 is responsible for the preparation of the summary of the audited financial statements. Management is responsible for the Summary Financial Statements.

Auditor's 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."

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, 2012 are consistent, in all material respects, with those financial statements.

KYMG Eastern Caribbean  
March 25, 2013  
Castries, Saint Lucia

**Summary Statement of Changes in Head Office Account  
For the year ended October 31, 2012  
(Expressed in Eastern Caribbean dollars)**

	Head Office Account	Loan Loss Reserve	Total
Balance as at October 31, 2010	462,610,869	\$ -	\$ 462,610,869
Profit and total comprehensive income for the year	18,375,567	18,375,567	36,751,134
Loan loss reserve	-	2,649,975	2,649,975
Net advances from Head Office	8,829,152	8,829,152	17,658,304
Balance at October 31, 2011	489,715,388	2,649,975	492,365,363
Balance at October 31, 2011	489,715,388	2,649,975	492,365,363
Profit and total comprehensive income for the year as previously reported	32,832,145	32,832,145	65,664,290
Loan loss reserve	-	2,215,152	2,215,152
Net advances to Head Office	(17,658,304)	(17,658,304)	(35,316,608)
Balance at October 31, 2012	504,889,229	4,865,127	509,754,356

**Summary Statement of Cash Flows  
For the year ended October 31, 2012  
(Expressed in Eastern Caribbean dollars)**

	2012	2011
Cash flows from operating activities		
Profit before taxation	33,945,893	26,626,656
Provision for credit losses	10,346,789	18,157,706
Depreciation	2,571,709	1,747,283
Loss on disposal of plant and equipment	109,335	34,975
Gain on disposal of securities	(298,116)	(99,748,039)
Interest income	(64,848,729)	(69,748,039)
Interest expense	27,185,054	27,183,011
Change in operating assets and liabilities	(8,958,469)	(10,998,488)
Increase in loans, net	(98,553,787)	(28,756,269)
Change in other assets and liabilities, net	18,156,432	(1,276,252)
Decrease in deposits	(13,086,370)	(10,464,585)
Cash used in operations	(66,442,070)	(149,486,057)
Corporate tax paid	(8,915,753)	(8,300,917)
Interest received	67,742,889	68,500,985
Net cash used in operating activities	(8,614,934)	(89,286,009)
Cash flows from investing activities		
Proceeds from disposal of securities	4,991,647	30,000
Proceeds from disposal of plant and equipment	(275,860)	(1,256,248)
Purchase of plant and equipment	4,715,791	(1,236,248)
Net cash from/investing activities	4,411,478	(1,462,496)
Cash flows from financing activity		
Net financing (from) Head Office	(17,564,438)	8,829,152
Net cash (used) from/in financing activity	(13,152,960)	8,829,152
Net decrease in cash and cash equivalents for the year	(131,024,237)	(5,331,294)
Cash and cash equivalents – beginning of year	28,479,561	31,810,855
Cash and cash equivalents – end of year	(4,544,670)	26,479,561
Cash and cash equivalents comprise:		
Cash	14,820,239	14,498,166
Deposits with Eastern Caribbean Central Bank	44,467,644	38,673,638
Due to other banks	56,924,979	59,520,647
	(117,707,437)	(64,915,120)
	(4,544,670)	26,479,561

**SCOTIABANK BOARD OF DIRECTORS**

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| Ronald A. Bannerman               | Susan L. Sogol                     |
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| Thomas C. Orrell                  |                                    |

The Bank of Nova Scotia – Saint Lucia Branches:  
New Dock Road  
St. John's, Saint Lucia  
Castries, Saint Lucia

\*Trademark of The Bank of Nova Scotia  
**THE BANK OF  
NOVA SCOTIA**