

Summary Statement of Financial Position

October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011	2010
	\$	\$
Assets		
Cash	5,552,849	4,505,780
Deposits with Eastern Caribbean Central Bank	212,385,010	105,696,715
Due from other banks	635,560,392	580,594,795
Securities	17,112,257	1,531,769
Loans	470,923,936	467,376,001
Property and equipment	3,361,651	2,620,085
Other assets	301,622	124,718
Cheques and other items in transit, net	5,540,880	3,826,861
Taxation recoverable	12,610,414	10,267,384
Total assets	1,363,349,011	1,176,544,108
Liabilities and Head Office Account		
Deposits	1,023,122,729	942,649,157
Due to other banks	263,478,671	145,673,935
Other liabilities	9,249,519	9,832,953
Deferred tax	127,198	-
Due to Head Office	67,370,894	78,388,063
Total Liabilities and Head Office Account	1,363,349,011	1,176,544,108

Approved by Management


 Country Manager


 Manager Operations and Administration

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	Due to Head Office 2011
Balance – October 31, 2009	36,736,718
Total comprehensive income for the year	12,378,331
Net advances from Head Office	29,273,014
Balance – October 31, 2010	78,388,063
Total comprehensive income for the year	9,164,309
Net advances to Head Office	(20,181,478)
Balance – October 31, 2011	67,370,894

Summary Statement of Comprehensive Income

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011	2010
	\$	\$
Interest income		
Loans	38,827,712	37,224,728
Head Office and other related banks	1,584,965	1,622,878
Securities	657,389	65,204
Total interest income	41,070,066	38,912,810
Interest expense	(22,383,258)	(18,360,843)
Net interest income	18,686,808	20,551,967
Other income	21,772,478	18,427,699
Net interest and other income	40,459,286	38,979,666
Non-interest expenses		
Salaries and staff benefits	5,447,103	4,991,637
Premises and equipment expenses	2,879,647	2,440,880
Depreciation	490,796	408,358
Provision for credit losses	2,453,171	1,183,950
Head Office expenses	4,245,895	3,083,841
Other expenses	12,024,686	9,255,067
Total non-interest expenses	27,541,298	21,363,733
Income before taxation	12,917,988	17,615,933
Taxation	(4,334,167)	(5,237,602)
Net income for the year	8,583,821	12,378,331
Other comprehensive income		
Unrealised gain	580,488	-
Total comprehensive income	9,164,309	12,378,331

Summary Statement of Cash Flows

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011	2010
	\$	\$
Cash flows from operating activities		
Income before taxation	12,917,988	17,615,933
Provision for credit losses	2,453,171	1,183,950
Gain on disposal of fixed assets	(88,429)	-
Depreciation	490,796	408,358
Gain on disposal of securities	-	(265,420)
Interest income	(41,070,066)	(38,912,810)
Interest expense	22,383,258	18,360,843
Operating loss before changes in operating assets and liabilities	(2,913,282)	(1,609,146)
Increase in loans, net	(5,846,581)	(39,784,690)
Change in other assets and liabilities, net	(2,474,356)	752,724
Increase in deposits	80,800,043	31,666,605
Cash from/(used in) operating activities	69,565,824	(8,974,507)
Income tax paid	(6,550,000)	(10,000,000)
Interest received	40,915,541	39,271,149
Interest paid	(22,709,729)	(18,966,887)
Net cash from operating activities	81,221,636	1,329,755
Cash flows from investing activities		
Purchase of securities	(15,000,000)	-
Purchase of property, plant and equipment	(1,280,215)	(569,613)
Proceeds from disposals	136,282	-
Proceeds from sale of securities	-	673,072
Net cash (used in)/ provided by investing activities	(16,143,933)	103,459
Cash flows from financing activities		
Net advances (to)/from Head Office	(20,181,478)	29,273,014
Net cash (used in)/provided by financing activities	(20,181,478)	29,273,014
Net increase in cash and cash equivalents for the year	44,896,225	30,706,228
Cash and cash equivalents – beginning of year	545,123,355	514,417,127
Cash and cash equivalents – end of year	590,019,580	545,123,355
Cash and cash equivalents comprise:		
Cash	5,552,849	4,505,780
Deposits with Eastern Caribbean Central Bank	212,385,010	105,696,715
Due from other banks	635,560,392	580,594,795
Due to other banks	(263,478,671)	(145,673,935)
	590,019,580	545,123,355

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.	Rick Waugh

INDEPENDENT AUDITORS' REPORT

Report of the Independent Auditors on the Summary Financial Statements

To the Country Manager of The Bank of Nova Scotia – St. Kitts and Nevis Branches

The accompanying summary financial statements, which comprise the summary statement of financial position as at October 31, 2011, the summary statement of comprehensive income, summary statement of changes in Head Office Account and summary statement of cash flows for the year then ended, are derived from the audited financial statements of The Bank of Nova Scotia – St. Kitts and Nevis 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 - St. Kitts and Nevis Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - St. Kitts and Nevis 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 - St. Kitts and Nevis Branches for the year ended October 31, 2011 are consistent, in all material respects, with those financial statements.


 Chartered Accountants
 Antigua and Barbuda
 April 12, 2012