

Summary Statement of Financial Position

October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013	2012
	\$	\$
Assets		
Cash	6,080,554	6,631,516
Deposits with the Eastern Caribbean Central Bank	104,155,406	129,126,584
Due from other banks	812,489,215	703,405,171
Securities	10,340,372	10,761,800
Loans	409,950,246	470,454,523
Property and equipment	4,194,915	3,775,125
Other assets	2,685,023	435,952
Cheques and other items in transit, net	120,780,549	85,926,318
Tax recoverable	5,754,480	13,206,202
Total Assets	1,476,430,760	1,423,723,191
Liabilities and Head Office Account		
Deposits	1,038,444,082	1,075,408,930
Due to other banks	374,226,819	260,995,698
Other liabilities	7,374,264	14,261,803
Deferred tax	112,083	167,719
Due to Head Office	56,273,512	72,889,041
Total liabilities and Head Office Account	1,476,430,760	1,423,723,191

Approved by Management

Marcia Gaudet

Marcia Gaudet
Country Manager

Charlene Acquisto

Charlene Acquisto
Manager Operations and Administration

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013
Balance at October 31, 2011	67,370,894
Total comprehensive income for the year	3,153,219
Net advances to Head Office	2,364,928
Balance at October 31, 2012	72,889,041
Total comprehensive income for the year	14,705,146
Net advances from Head Office	(31,320,675)
Balance at October 31, 2013	56,273,512

Summary Statement of Comprehensive Income

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013	2012
	\$	\$
Interest income		
Loans	37,095,080	33,426,346
Head Office and other related banks	6,109,573	5,825,356
Securities	473,892	696,693
Total interest income	43,678,545	39,948,395
Interest expense	(22,032,832)	(21,809,395)
Net interest income	21,645,713	18,139,000
Other income	24,921,694	24,305,380
Net interest and other income	46,567,407	42,444,380
Non-interest expenses		
Salaries and staff benefits	5,697,860	5,784,664
Premises and equipment expenses	3,240,102	3,150,424
Depreciation	606,115	567,975
(Recovery of)/provision for credit losses	(4,042,940)	12,020,182
Head Office expenses	3,387,816	4,055,346
Other expenses	15,577,222	12,917,837
Total non-interest expenses	24,466,175	38,496,428
Net income before taxation	22,101,232	3,947,952
Taxation	(7,396,086)	(794,733)
Net income for the year	14,705,146	3,153,219
Other comprehensive income		
Unrealised gain	-	-
Total comprehensive income	14,705,146	3,153,219

The Bank of Nova Scotia:
Fort Street, St. Kitts
Bird Rock, St. Kitts
Charlestown, Nevis

Summary Statement of Cash Flows

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

	2013	2012
	\$	\$
Cash flows from operating activities		
Income before taxation	22,101,232	3,947,952
(Recovery of)/provision for credit losses	(4,042,940)	12,020,182
Gain on disposal of fixed assets	-	(15,861)
Depreciation	606,115	567,975
Gain on disposal of securities	-	(637,589)
Interest income	(43,678,545)	(39,948,395)
Interest expense	22,032,832	21,809,395
Operating loss before changes in operating assets and liabilities	(2,981,306)	(2,256,341)
Change in loans, net	64,182,835	(12,529,770)
Change in other assets and liabilities, net	(43,990,841)	(75,507,484)
Change in deposits	(36,953,474)	53,193,925
Cash used in operating activities	(19,742,786)	(37,099,670)
Income tax paid	-	(1,350,000)
Interest received	44,042,927	37,464,839
Interest paid	(22,044,206)	(19,254,562)
Net cash from/(used in) operating activities	2,255,935	(20,239,393)
Cash flows from investing activities		
Purchase of securities	(9,578,572)	(10,000,000)
Purchase of property, plant and equipment	(1,025,905)	(1,052,809)
Proceeds from disposals of property, plant and equipment	-	87,221
Proceeds from disposal of securities	10,000,000	16,988,046
Net cash (used in)/from provided by investing activities	(604,477)	6,022,458
Cash flows from financing activity		
Net advances (to)/from Head Office	(31,320,675)	2,364,928
Net cash (used in)/from financing activity	(31,320,675)	2,364,928
Net decrease in cash and cash equivalents for the year	(29,669,217)	(11,852,007)
Cash and cash equivalents, beginning of year	578,167,573	590,019,580
Cash and cash equivalents, end of year	548,498,356	578,167,573
Cash and cash equivalents comprise:		
Cash	6,080,554	6,631,516
Deposits with Eastern Caribbean Central Bank	104,155,406	129,126,584
Due from other banks	812,489,215	703,405,171
Due to other banks	(374,226,819)	(260,995,698)
	548,498,356	578,167,573

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.	Charles H. Dallara, Ph.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	Brian J. Porter
Aaron W. Regent	

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, 2013, 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, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated February 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 - 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, 2013 are consistent, in all material respects, with those financial statements.

[Signature]
Chartered Accountants
Antigua and Barbuda
February 28, 2014