

Statement of Financial Position

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Assets		
Cash	4,505,780	4,387,597
Deposits with Eastern Caribbean Central Bank	105,696,715	139,237,722
Due from other banks	580,594,795	545,571,386
Securities	1,531,769	1,939,421
Loans	467,376,001	429,133,600
Property and equipment	2,620,085	2,458,830
Other assets	124,718	1,064,288
Cheques and other items in transit, net	3,826,861	2,469,122
Taxation recoverable	10,267,384	5,504,985
Total assets	1,176,544,108	1,131,766,951
Liabilities and head office account		
Deposits	942,649,157	911,588,596
Due to other banks	145,673,935	174,779,578
Other liabilities	9,832,953	8,662,059
Due to head office	78,388,063	36,736,718
Total liabilities and head office account	1,176,544,108	1,131,766,951

Approved by Management


 Country Manager


 Manager Service and Support

Statement of Changes in Head Office Account

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	Total
	\$
Balance – October 31, 2008	48,276,798
Total comprehensive income for the year	7,882,701
Net advances to Head Office	(19,422,781)
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

Statement of Comprehensive Income

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Interest income		
Loans	37,224,728	37,543,688
Head Office and other related banks	1,622,878	1,687,671
Securities	65,204	51,109
Total interest income	38,912,810	39,282,468
Interest expense	(18,360,843)	(18,875,843)
Net interest income	20,551,967	20,406,625
Other income	18,427,699	14,977,509
Net interest and other income	38,979,666	35,384,134
Non-interest expenses		
Salaries and staff benefits	4,991,637	5,402,163
Premises and equipment expenses	2,440,880	2,725,811
Depreciation	408,358	1,062,666
Provision for credit losses	1,183,950	1,752,730
Head Office expenses	3,083,841	1,876,665
Other expenses	9,255,067	8,863,182
Total non-interest expenses	21,363,733	21,683,217
Income before taxation	17,615,933	13,700,917
Taxation	(5,237,602)	(5,818,216)
Net income for the year	12,378,331	7,882,701
Total comprehensive income for the year	12,378,331	7,882,701

Statement of Cash Flows

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Cash flows from operating activities		
Income before taxation	17,615,933	13,700,917
Provision for credit losses	1,183,950	1,752,730
Loss on disposal of fixed assets	–	231,665
Depreciation	408,358	1,062,666
Gain on disposal of securities	(265,420)	(248,805)
Interest income	(38,912,810)	(39,282,468)
Interest expense	18,360,843	18,875,843
Operating profit before changes in operating assets and liabilities	(1,609,146)	(3,907,452)
(Increase)/decrease in loans, net	(39,784,690)	5,684,089
Change in other assets and liabilities, net	752,724	538,151
Increase in deposits	31,666,605	384,242,292
Cash (used in)/from operating activities	(8,974,507)	386,557,080
Income tax paid	(10,000,000)	(10,000,000)
Interest received	39,271,149	38,996,962
Interest paid	(18,966,887)	(19,709,732)
Net cash from operating activities	1,329,755	395,844,310
Cash flows from investing activities		
Proceeds on sale of securities	673,072	909,583
Purchase of property and equipment	(569,613)	(428,818)
Net cash from investing activities	103,459	480,765
Cash flows from financing activities		
Net advances from/(to) Head Office	29,273,014	(19,422,781)
Net cash provided by/(used in) financing activities	29,273,014	(19,422,781)
Net increase in cash and cash equivalents for the year	30,706,228	376,902,294
Cash and cash equivalents – beginning of year	514,417,127	137,514,833
Cash and cash equivalents – end of year	545,123,355	514,417,127
Cash and cash equivalents comprise:		
Cash	4,505,780	4,387,597
Deposits with Eastern Caribbean Central Bank	105,696,715	139,237,722
Due from other banks	580,594,795	545,571,386
Due to other banks	(145,673,935)	(174,779,578)
	545,123,355	514,417,127

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

INDEPENDENT AUDITORS' REPORT

TO THE COUNTRY MANAGER
THE BANK OF NOVA SCOTIA – ST. KITTS AND NEVIS BRANCHES


Report on the Abridged Financial Statements

We have audited the financial statements of The Bank of Nova Scotia - St. Kitts and Nevis 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 04, 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 were derived.

For a better understanding of The Bank of Nova Scotia – St. Kitts and Nevis 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
 April 04, 2011
 Antigua and Barbuda

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