

THE BANK OF NOVA SCOTIA - DOMINICA BRANCH

2013 FINANCIAL STATEMENTS



Summary Statement of Financial Position

October 31, 2013

(expressed in Eastern Caribbean dollars)

| Assets | 2013 \$ | 2012 \$ |
|--|--------------------|--------------------|
| Cash | 2,516,821 | 2,409,196 |
| Deposits with the Eastern Caribbean Central Bank | 13,006,243 | 14,377,105 |
| Due from other banks | 25,888,408 | 20,508,257 |
| Cheques and other items in transit, net | - | 2,472,043 |
| Loans | 224,813,846 | 232,638,429 |
| Property and equipment | 6,019,205 | 5,911,775 |
| Deferred tax asset | 30,432 | 664,968 |
| Other assets | 259,374 | 254,092 |
| Total Assets | 272,534,329 | 279,235,865 |

Liabilities and Head Office Account

| | | |
|--|--------------------|--------------------|
| Cheques and other items in transit, net | 5,339,984 | - |
| Due to other banks | 57,044 | 233,066 |
| Deposits | 247,117,822 | 258,467,272 |
| Taxation payable | 472,409 | 1,916,438 |
| Other liabilities | 3,315,047 | 3,070,597 |
| Due to Head Office | 16,232,023 | 15,548,492 |
| Total Liabilities and Head Office Account | 272,534,329 | 279,235,865 |

Approved by Management:

Jim F. Alston
Country Manager

Gregory Bardouille
Manager Service & Support

Summary Statement of Comprehensive Income

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

| | 2013 \$ | 2012 \$ |
|--------------------------------------|--------------------|--------------------|
| Interest income: | | |
| Loans | 17,789,417 | 18,755,388 |
| Head Office and other branches | 801,267 | 836,400 |
| Total interest income | 18,590,684 | 19,591,788 |
| Interest expense | (7,158,305) | (8,064,989) |
| Net interest income | 11,432,379 | 11,526,799 |
| Other income | 4,867,917 | 4,682,186 |
| Net interest and other income | 16,300,296 | 16,208,985 |
| Non-interest expenses: | | |
| Salaries and staff benefits | 3,432,882 | 3,604,011 |
| Head Office expenses | 2,746,034 | 2,205,213 |
| Provision for credit losses | 2,325,558 | 2,026,613 |
| Premises and equipment | 1,191,821 | 1,245,313 |
| Depreciation | 700,570 | 521,748 |
| Other expenses | 4,767,580 | 4,352,879 |
| Total non-interest expenses | 15,164,445 | 13,955,777 |
| Income before taxation | 1,135,851 | 2,253,208 |
| Taxation | (350,587) | (1,428,062) |
| Net income for the year | 785,264 | 825,146 |
| Total comprehensive income | 785,264 | 825,146 |

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2013

(expressed in Eastern Caribbean dollars)

| | Due to Head Office 2013 |
|---|-------------------------------|
| Balance – October 31, 2011 | 14,989,506 |
| Total comprehensive income for the year | 825,146 |
| Net advances to Head Office | (266,160) |
| Balance – October 31, 2012 | 15,548,492 |
| Total comprehensive income for the year | 785,264 |
| Net advances to Head Office | (101,733) |
| Balance – October 31, 2013 | 16,232,023 |

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 | 1,135,851 | 2,253,208 |
| Provision for credit losses | 2,325,558 | 2,026,613 |
| Depreciation | 700,570 | 521,748 |
| Interest income | (18,590,684) | (19,591,788) |
| Interest expense | 7,158,305 | 8,064,989 |
| Operating loss before changes in operating assets and liabilities | (7,270,400) | (6,725,230) |
| Change in loans, net | 5,053,075 | (2,596,987) |
| Change in other assets and liabilities, net | 8,051,195 | (1,519,359) |
| Decrease in deposits | (10,237,560) | (25,107,479) |
| Cash used in operations | (4,403,690) | (35,949,055) |
| Income tax paid | (1,160,080) | (1,621,627) |
| Interest received | 19,036,634 | 19,278,301 |
| Interest paid | (8,270,195) | (8,510,072) |
| Net cash from/(used in) operating activities | 5,202,669 | (26,802,453) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (808,000) | (520,636) |
| Net cash used in investing activities | (808,000) | (520,636) |
| Cash flows from financing activity | | |
| Net advances to Head Office | (101,733) | (266,160) |
| Net cash used in financing activities | (101,733) | (266,160) |
| Net increase/(decrease) in cash and cash equivalents for the year | 4,292,936 | (27,589,249) |
| Cash and cash equivalents, beginning of year | 37,061,492 | 64,650,741 |
| Cash and cash equivalents, end of year | 41,354,428 | 37,061,492 |
| Represented by: | | |
| Cash | 2,516,821 | 2,409,196 |
| Deposits with Eastern Caribbean Central bank | 13,006,243 | 14,377,105 |
| Due from other banks | 25,888,408 | 20,508,257 |
| Due to other banks | (57,044) | (233,066) |
| | 41,354,428 | 37,061,492 |

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 | |

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Country Manager of
The Bank of Nova Scotia – Dominica Branch

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 – Dominica Branch for the year ended October 31, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated March 25, 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 - Dominica Branch. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - Dominica Branch.

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 - Dominica Branch for the year ended October 31, 2013 are consistent, in all material respects, with those financial statements.

Chartered Accountants
Antigua and Barbuda
March 25, 2014

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