

THE BANK OF NOVA SCOTIA - DOMINICA BRANCH 2011 FINANCIAL STATEMENTS



Summary Statement of Financial Position

October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011	2010
	\$	\$
Assets		
Cash	1,630,888	3,137,390
Deposits with Eastern Caribbean Central Bank	16,703,915	19,784,961
Due from other banks	46,811,231	28,111,857
Loans	231,754,568	227,587,663
Property, plant and equipment	5,912,886	5,595,495
Other assets	162,329	15,500
Cheques and other items in transit, net	997,852	1,064,984
Total assets	303,973,669	285,297,850

Liabilities and Head Office Account

Deposits	303,750,234	282,974,557
Taxation payable	1,408,028	2,020,063
Other liabilities	3,024,001	2,975,960
Due to other banks	495,293	215,727
Deferred tax liability	37,007	
Due from Head Office	(4,740,894)	(2,888,457)
Total Liabilities and Head Office Account	303,973,669	285,297,850

Approved by Management:

Country Manager

Assistant Manager
Service & Support

Summary Statement of Comprehensive Income

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011	2010
	\$	\$
Interest income:		
Loans	19,081,613	18,554,057
Head Office and other branches	1,352,450	1,339,748
Securities	-	88
Total interest income	20,434,063	19,893,893
Interest expense	(9,063,201)	(8,772,508)
Net interest income	11,370,862	11,121,385
Other income	5,244,506	4,707,125
Net interest and other income	16,615,368	15,828,510
Non-interest expenses:		
Other expenses	3,880,812	3,106,964
Salaries and staff benefits	3,365,170	3,010,895
Head Office expenses	1,990,711	773,569
Premises and equipment	1,107,961	991,303
Depreciation	536,663	427,020
(Recovery)/ provision for credit losses	(116,345)	824,154
Total non-interest expenses	10,764,972	9,133,905
Income before taxation	5,850,396	6,694,605
Taxation	(1,443,053)	(2,020,063)
Net income for the year	4,407,343	4,674,542
Total comprehensive income	4,407,343	4,674,542

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	Due (from)/to Head Office 2011
Balance – October 31, 2009	367,905
Comprehensive income for the year	4,674,542
Net advances to Head Office	(7,930,904)
Balance – October 31, 2010	(2,888,457)
Comprehensive income for the year	4,407,343
Net advances to Head Office	(6,259,780)
Balance – October 31, 2011	(4,740,894)

* Trademarks of The Bank of Nova Scotia.

SCOTIABANK BOARD OF DIRECTORS

Ronald A. Brenneman
C.J. Chen
David A. Dodge, O.C.
N. Ashleigh Everett
John C. Kerr, C.M., O.B.C., LL.D.
The Honourable Michael J.L. Kirby
John T. Mayberry, C.M.
Thomas C. O'Neill
Alexis E. Rovzar de la Torre
Indira V. Samarasekera, O.C., Ph.D.
Allan C. Shaw, C.M., LL.D.
Paul D. Sobey
Barbara S. Thomas
Rick Waugh

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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	5,850,396	6,694,605
(Recovery)/provision for credit losses	(116,345)	824,154
Depreciation	536,663	427,020
Gain on disposal of securities	-	(15,993)
Gain on disposal of fixed assets	-	(17,233)
Interest income	(20,434,063)	(19,893,893)
Interest expense	9,063,201	8,772,508
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Changes in operating assets and liabilities	(5,100,148)	(3,208,832)
Increase in loans, net	(4,436,612)	(23,379,630)
Change in other assets and liabilities, net	(31,655)	288,822
Increase in deposits	21,181,993	26,494,640
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Cash from operations	11,613,578	195,000
Corporation tax paid	(2,018,081)	(2,329,991)
Interest received	20,820,115	19,782,272
Interest paid	(9,469,517)	(8,495,707)
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Net cash from operating activities	20,946,095	9,151,574
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Cash flows from investing activities		
Disposal of securities, net	-	38,129
Purchase of property, plant and equipment	(854,055)	(737,857)
Proceeds on disposal of property, plant and equipment	-	45,000
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Net cash used in investing activities	(854,055)	(654,728)
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Cash flows from financing activity		
Net advances to Head Office	(6,259,780)	(7,930,904)
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Net cash used in financing activity	(6,259,780)	(7,930,904)
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Net increase in cash and cash equivalents for the year	13,832,260	565,942
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Cash and cash equivalents – beginning of year	50,818,481	50,252,539
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Cash and cash equivalents – end of year	64,650,741	50,818,481
Represented by:		
Cash	1,630,888	3,137,390
Deposits with Eastern Caribbean Central Bank	16,703,915	19,784,961
Due from other banks	46,811,231	28,111,857
Due to other banks	(495,293)	(215,727)
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	64,650,741	50,818,481

INDEPENDENT AUDITORS' REPORT

Report of the Independent Auditors on the Summary Financial Statements

To the Country Manager of The Bank of Nova Scotia – Dominica 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 – Dominica 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 – Dominica Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia – Dominica 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 – Dominica 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

The Bank of Nova Scotia
28 Hillsborough Street
Roseau
Dominica

**THE BANK OF
NOVA SCOTIA**