

THE BANK OF NOVA SCOTIA - DOMINICA BRANCH 2010 FINANCIAL STATEMENTS



Statement of Financial Position

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010 \$	2009 \$
Assets		
Cash	3,137,390	2,125,197
Deposits with Eastern Caribbean Central Bank	19,784,961	19,655,836
Due from other banks	28,111,857	28,471,506
Securities	-	22,136
Loans	227,587,663	204,920,566
Property, plant and equipment	5,595,495	5,312,425
Other assets	15,500	175,607
Cheques and other items in transit, net	1,064,984	992,286
Total assets	285,297,850	261,675,559
Liabilities and Head Office Account		
Deposits	282,974,557	256,203,116
Taxation payable	2,020,063	2,329,991
Other liabilities	2,975,960	2,774,547
Due to other banks	215,727	-
Due (from)/to Head Office	(2,888,457)	367,905
Total liabilities and head office account	285,297,850	261,675,559

Approved by Management:

Country Manager

Manager Service and Support

Statement of Comprehensive Income

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010 \$	2009 \$
Interest income		
Loans	18,554,057	17,773,142
Head Office and other branches	1,339,748	673,147
Securities	88	265
Total interest income	19,893,893	18,446,554
Interest expense	(8,772,508)	(9,229,250)
Net interest income	11,121,385	9,217,304
Other income	4,707,125	3,997,135
Net interest and other income	15,828,510	13,214,439
Non-interest expenses		
Other expenses	3,106,964	2,084,903
Salaries and staff benefits	3,010,895	2,963,612
Provision for (recovery)/credit losses	824,154	(1,048,334)
Premises and equipment	991,303	922,331
Head Office expenses	773,569	567,658
Depreciation	427,020	506,767
Total non-interest expenses	9,133,905	5,996,937
Profit before taxation	6,694,605	7,217,502
Taxation	(2,020,063)	(2,329,991)
Total net income and comprehensive income for the year	4,674,542	4,887,511

Statement of Changes in Head Office Account

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	Due (from)/to Head Office \$
Balance at October 31, 2008	2,334,799
Comprehensive income for the year	4,887,511
Net advances to Head Office	(6,854,405)
Balance at October 31, 2009	367,905
Comprehensive income for the year	4,674,542
Net advances to Head Office	(7,930,904)
Balance at October 31, 2010	(2,888,457)

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	6,694,605	7,217,502
Provision for credit losses	824,154	(1,048,334)
Depreciation	427,020	506,767
Gain on disposal of securities	(15,993)	-
Gain on disposal of fixed asset	(17,233)	-
Interest income	(19,893,893)	(18,446,554)
Interest expense	8,772,508	9,229,250
Changes in operating assets and liabilities	(3,208,832)	(2,541,369)
(Increase)/decrease in loans, net	(23,379,630)	1,294,491
Change in other assets and liabilities, net	288,822	1,056,478
Increase in deposits	26,494,640	16,907,007
Cash from operations	195,000	16,716,607
Corporation tax paid	(2,329,991)	(299,827)
Interest received	19,782,272	18,552,361
Interest paid	(8,495,707)	(8,449,316)
Net cash from operating activities	9,151,574	26,519,825
Cash flows from investing activities		
Disposal of securities, net	38,129	9,489
Purchase of property, plant and equipment	(737,857)	(111,806)
Proceeds on disposal of property, plant and equipment	45,000	-
Net cash used in investing activities	(654,728)	(102,317)
Cash flows from financing activity		
Net advances to Head Office	(7,930,904)	(6,854,405)
Net cash used in financing activity	(7,930,904)	(6,854,405)
Net increase in cash and cash equivalents for the year	565,942	19,563,103
Cash and cash equivalents, beginning of year	50,252,539	30,689,436
Cash and cash equivalents, end of year	50,818,481	50,252,539
Represented by:		
Cash	3,137,390	2,125,197
Deposits with Eastern Caribbean Central bank	19,784,961	19,655,836
Due from other banks	28,111,857	28,471,506
Due to other banks	(215,727)	-
	50,818,481	50,252,539

SCOTIABANK BOARD OF DIRECTORS

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Country Manager of
The Bank of Nova Scotia
DOMINICA BRANCH

Report on the Abridged Financial Statements

We have audited the financial statements of The Bank of Nova Scotia – Dominica Branch 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 20, 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 – Dominica Branch 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 20, 2011

Antigua and Barbuda

* Trademarks of The Bank of Nova Scotia.