

THE BANK OF NOVA SCOTIA - ANTIGUA BRANCHES

2010 FINANCIAL STATEMENTS



Statement of Financial Position

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Assets		
Cash	3,459,561	4,015,321
Deposits with Eastern Caribbean Central Bank	52,685,280	52,721,510
Due from other banks	293,305,958	348,230,162
Securities	1,408,480	2,078,081
Loans	816,956,940	781,932,840
Property and equipment	11,710,932	11,408,245
Other assets	828,917	294,378
Cheques and other assets in transit, net	4,137,032	6,259,276
Total assets	\$1,184,493,100	1,206,939,813
Liabilities and Head Office Account		
Deposits	934,783,067	936,020,218
Taxation payable	2,618,148	3,908,032
Other liabilities	6,088,909	6,370,745
Due to other banks	8,981,245	568,516
Due to head office	232,021,731	260,072,302
	1,184,493,100	1,206,939,813

Approved by Management

Country Manager

Operations Manager

Statement of Comprehensive Income

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Interest income		
Loans	61,427,097	58,980,622
Head Office and other related banks	6,005,647	4,965,174
Securities	127,876	131,622
Total interest income	67,560,620	64,077,418
Interest expense	(22,716,865)	(27,953,172)
Net interest income	44,843,755	36,124,246
Other income	15,692,282	14,564,553
Net interest and other income	60,536,037	50,688,799
Non-interest expenses		
Salaries and staff benefits	10,249,797	9,412,510
Premises and equipment expenses	3,043,546	2,709,830
Depreciation	752,749	1,799,066
Provision for credit losses	2,594,091	2,296,451
Head office expenses	872,360	859,937
Other expenses	9,503,894	7,609,157
Total non-interest expenses	27,016,437	24,686,951
Income before taxation	33,519,600	26,001,848
Taxation	(8,618,148)	(8,908,032)
Net income for the year	24,901,452	17,093,816

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
 Richard E. Waugh

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THE BANK OF NOVA SCOTIA - ANTIGUA BRANCHES

2010 FINANCIAL STATEMENTS



Statement of Changes in Head Office Account

For the year ended October 31, 2010
(expressed in Eastern Caribbean dollars)

	2010 \$
Balance – October 31, 2008	139,443,836
Total comprehensive income for the year	17,093,816
Net advances from Head Office	<u>103,534,650</u>
Balance – October 31, 2009	260,072,302
Total comprehensive income for the year	24,901,452
Net advances to Head Office	<u>(52,952,023)</u>
Balance – October 31, 2010	<u>232,021,731</u>

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	33,519,600	26,001,848
Provision for credit losses	2,594,091	2,296,451
Gain on disposal of securities	(446,601)	(100,135)
Depreciation	752,749	1,799,066
(Gain)/loss on disposal of property and equipment	(3,881)	134,465
Interest income	(67,560,620)	(64,077,418)
Interest expense	<u>22,716,865</u>	<u>27,953,172</u>
Changes in operating assets and liabilities	(8,427,797)	(5,992,551)
Increase in loans, net	(37,518,737)	(55,901,604)
Change in other assets and liabilities, net	1,305,869	(1,774,610)
Increase in deposits	<u>1,487,243</u>	<u>113,423,592</u>
Cash (used in)/from operations	(43,153,422)	49,754,827
Corporation tax paid	(9,908,032)	(11,157,562)
Interest received	67,461,166	64,026,332
Interest paid	<u>(25,441,259)</u>	<u>(27,517,939)</u>
Net cash (used in)/from operations	(11,041,547)	75,105,658
Cash flows from investing activities		
Disposal of securities	1,116,202	386,961
Purchase of property and equipment	(1,113,085)	(560,644)
Proceeds from disposal of property and equipment	<u>61,530</u>	<u>-</u>
Net cash from/(used in) investment activities	64,647	(173,683)
Cash flows from financing activity		
Net financing (to)/from Head Office	<u>(52,952,023)</u>	<u>103,534,650</u>
Net cash (used in)/from financing activity	(52,952,023)	103,534,650
Net (decrease)/increase in cash and cash equivalents for the year	(63,928,923)	178,466,625
Cash and cash equivalents – beginning of year	404,398,477	225,931,852
Cash and cash equivalents – end of year	<u>340,469,554</u>	<u>404,398,477</u>
Cash and cash equivalents comprise:		
Cash	3,459,561	4,015,321
Deposits with Eastern Caribbean Central Bank	52,685,280	52,721,510
Due from other banks	293,305,958	348,230,162
Due to other banks	<u>(8,981,245)</u>	<u>(568,516)</u>
	340,469,554	404,398,477

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Country Manager of
THE BANK OF NOVA SCOTIA –
ANTIGUA BRANCHES

Report on the Abridged Financial Statements

We have audited the financial statements of The Bank of Nova Scotia - Antigua 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 11, 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 – Antigua 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 11, 2011
Antigua and Barbuda

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The Bank of Nova Scotia - Antigua Branches
High Street, St. John's:
Woods Centre, St. John's:

**THE BANK OF
NOVA SCOTIA**