

THE BANK OF NOVA SCOTIA - ANTIGUA BRANCHES

2011 FINANCIAL STATEMENTS



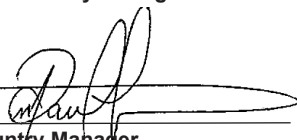
Summary Statement of Financial Position

October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$	2010 \$
Assets		
Cash	3,825,221	3,459,561
Deposits with Eastern Caribbean Central Bank	54,228,675	52,685,280
Due from other banks	287,807,820	293,305,958
Securities	1,408,480	1,408,480
Loans	823,609,607	816,956,940
Property and equipment	10,838,803	11,710,932
Deferred tax asset	1,546,695	-
Other assets	628,473	828,917
Cheques and other items in transit, net	3,033,109	4,137,032
Total Assets	1,186,926,883	1,184,493,100
Liabilities and Head Office Account		
Deposits	955,464,007	934,783,067
Taxation payable	1,124,378	2,618,148
Other liabilities	6,908,120	6,088,909
Due to other banks	-	8,981,245
Due to Head Office	223,430,378	232,021,731
Total Liabilities and Head Office Account	1,186,926,883	1,184,493,100

Approved by Management


Country Manager


Operations Manager

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$
Balance – October 31, 2009	260,072,302
Total comprehensive income for the year	24,901,452
Net advances to Head Office	(52,952,023)
Balance – October 31, 2010	232,021,731
Total comprehensive income for the year	23,959,656
Net advances to Head Office	(32,551,009)
Balance – October 31, 2011	223,430,378

Summary Statement of Comprehensive Income

For the year ended October 31, 2011

(expressed in Eastern Caribbean dollars)

	2011 \$	2010 \$
Interest income		
Loans	63,005,353	61,427,097
Head Office and other related banks	4,370,882	6,005,647
Securities	125,210	127,876
Total interest income	67,501,445	67,560,620
Interest expense	(20,574,737)	(22,716,865)
Net interest income	46,926,708	44,843,755
Other income	17,920,330	15,692,282
Net interest and other income	64,847,038	60,536,037
Non-interest expenses		
Salaries and staff benefits	10,660,961	10,249,797
Premises and equipment expenses	3,495,646	3,043,546
Depreciation	907,284	752,749
Provision for credit losses	4,064,906	2,594,091
Head office expenses	5,253,531	872,360
Other expenses	12,165,629	9,503,894
Total non-interest expenses	36,547,957	27,016,437
Income before taxation	28,299,081	33,519,600
Taxation	(4,339,425)	(8,618,148)
Net income for the year	23,959,656	24,901,452

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	28,299,081	33,519,600
Provision for credit losses	4,064,906	2,594,091
Gain on disposal of securities	-	(446,601)
Depreciation	907,284	752,749
Loss/(gain) on disposal of property and equipment	209,957	(3,881)
Interest income	(67,501,445)	(67,560,620)
Interest expense	20,574,737	22,716,865
Operating loss before changes in operating assets and liabilities	(13,445,480)	(8,427,797)
Increase in loans, net	(10,618,119)	(37,518,737)
Change in other assets and liabilities, net	2,123,578	1,305,869
Increase in deposits	21,121,153	1,487,243
Cash used in operations	(818,868)	(43,153,422)
Corporation tax paid	(7,379,890)	(9,908,032)
Interest received	67,401,991	67,461,166
Interest paid	(21,014,950)	(25,441,259)
Net cash from/(used in) operations	38,188,283	(11,041,547)
Cash flows from investing activities		
Disposal of securities	-	1,116,202
Purchase of property and equipment	(245,112)	(1,113,085)
Proceeds from disposal of property and equipment	-	61,530
Net cash (used in)/from investment activities	(245,112)	64,647
Cash flows from financing activity		
Net financing to Head Office	(32,551,009)	(52,952,023)
Net cash used in financing activity	(32,551,009)	(52,952,023)
Net increase/(decrease) in cash and cash equivalents for the year	5,392,162	(63,928,923)
Cash and cash equivalents, beginning of year	340,469,554	404,398,477
Cash and cash equivalents, end of year	345,861,716	340,469,554
Cash and cash equivalents comprise:		
Cash	3,825,221	3,459,561
Deposits with Eastern Caribbean Central Bank	54,228,675	52,685,280
Due from other banks	287,807,820	293,305,958
Due to other banks	-	(8,981,245)
	345,861,716	340,469,554

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.	Rick Waugh

INDEPENDENT AUDITORS' REPORT

Report of the Independent Auditors on the Summary Financial Statements

To the Country Manager of
The Bank of Nova Scotia - Antigua 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 - Antigua Branches for the year ended October 31, 2011. We expressed an unmodified audit opinion on those financial statements in our report dated April 13, 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 - Antigua Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - Antigua 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 - Antigua Branches for the year ended October 31, 2011 are consistent, in all material respects, with those financial statements.



Chartered Accountants
Antigua and Barbuda
April 13, 2012

* Trademark of The Bank of Nova Scotia.