

THE BANK OF NOVA SCOTIA - BARBADOS BRANCHES

2014 FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2014

(expressed in Barbados dollars)

Assets	2014	2013
Cash resources	\$	\$
Cash	6,172,517	11,744,521
Deposits with Central Bank of Barbados	229,336,114	126,978,073
Due from other banks	259,721,389	215,782,821
	<u>495,230,020</u>	<u>354,505,415</u>
Securities	<u>233,586,836</u>	<u>258,560,619</u>
Loans	<u>1,733,390,640</u>	<u>1,894,736,766</u>
Other		
Property, plant and equipment	42,425,804	41,984,622
Cheques and other items in transit, net	276,587	-
Other assets	5,467,338	3,285,225
	<u>48,169,729</u>	<u>45,269,847</u>
	<u>2,510,377,225</u>	<u>2,553,072,647</u>
Liabilities		
Deposits	1,673,668,157	1,668,658,343
Cheques and other items in transit, net	-	4,257,568
Taxation payable	10,332,581	11,201,037
Other liabilities	29,096,423	21,930,689
Due to other banks	241,813,481	210,685,472
Deferred taxation	1,049,151	1,010,044
	<u>282,291,636</u>	<u>249,084,810</u>
	<u>1,955,959,793</u>	<u>1,917,743,153</u>
Head Office Account		
Assigned capital	4,000,000	4,000,000
Due to Head Office	255,909,033	373,969,822
Fair value reserve	15,508,937	15,508,937
Retained earnings	278,999,462	241,850,735
	<u>554,417,432</u>	<u>635,329,494</u>
	<u>2,510,377,225</u>	<u>2,553,072,647</u>

Approved on February 25, 2015 by

David Noel
Managing Director, Caribbean East

Margaret Stuart
Senior Manager Finance

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2014

(expressed in Barbados dollars)

	Assigned capital	Fair value reserve	Due to Head Office	General banking reserve	Retained earnings	Total
Balance – October 31, 2012	4,000,000	15,508,937	391,529,742	11,347,191	235,641,435	658,027,305
Net profit for the year	-	-	-	-	43,696,680	43,696,680
Net advances from Head Office	-	-	(17,559,920)	-	-	(17,559,920)
Transfer to general banking reserve	-	-	-	(11,347,191)	11,347,191	-
Profits remitted to Head Office	-	-	-	-	(48,834,571)	(48,834,571)
Balance – October 31, 2013	<u>4,000,000</u>	<u>15,508,937</u>	<u>373,969,822</u>	<u>-</u>	<u>241,850,735</u>	<u>635,329,494</u>
Net profit for the year	-	-	-	-	37,148,727	37,148,727
Net advances from Head Office	-	-	(118,060,789)	-	-	(118,060,789)
Balance – October 31, 2014	<u>4,000,000</u>	<u>15,508,937</u>	<u>255,909,033</u>	<u>-</u>	<u>278,999,462</u>	<u>554,417,432</u>

Summary Statement of Cash Flows

For the year ended October 31, 2014

(expressed in Barbados dollars)

	2014	2013
	\$	\$
Cash flows from operating activities		
Profit before taxation	47,848,509	55,838,791
Provision for credit losses	19,429,041	15,345,515
Depreciation	3,051,418	2,705,606
Loss (gain) on disposal of fixed assets	142,368	(1,169,374)
Interest income	(144,811,611)	(149,964,465)
Interest expense	28,265,497	34,524,812
	<u>(46,074,778)</u>	<u>(42,719,115)</u>
Changes in operating assets and liabilities		
Decrease (increase) in loans, net	141,388,709	(53,318,940)
Increase in other assets	(2,346,700)	(5,866,532)
Increase in other liabilities	2,908,166	6,477,682
Increase in deposits	6,043,103	66,653,266
	<u>101,918,500</u>	<u>(28,773,639)</u>
Cash from (used in) operations	(11,529,131)	(12,061,116)
Corporation tax paid	146,287,320	151,302,812
Interest received	(29,298,786)	(35,167,519)
Interest paid		
Net cash from operating activities	<u>207,377,903</u>	<u>75,300,538</u>
Cash flows from investing activities		
Proceeds on sale (purchase) of securities, net	24,026,450	(4,644,305)
Purchase of property, plant and equipment	(3,637,596)	(5,642,645)
Proceeds on disposal of property, plant and equipment	2,628	1,453,259
Net cash from (used in) investing activities	<u>20,391,482</u>	<u>(8,833,691)</u>
Cash flows from financing activities		
Profits remitted to Head Office	-	(48,834,571)
Net financing from Head Office	(118,060,789)	(17,559,920)
Net cash used in financing activities	<u>(118,060,789)</u>	<u>(66,394,491)</u>
Net increase in cash for year	<u>109,708,596</u>	<u>72,356</u>
Cash and cash equivalents – beginning of year	<u>62,598,943</u>	<u>62,526,587</u>
Cash and cash equivalents – end of year	<u>172,307,539</u>	<u>62,598,943</u>
Cash and cash equivalents comprise:		
Cash	6,172,517	11,744,521
Deposits with Central Bank of Barbados	229,336,114	126,978,073
Due from other banks	259,721,389	215,782,821
Due to other banks	(241,813,481)	(210,685,472)
	<u>253,416,539</u>	<u>143,819,943</u>
Mandatory reserve deposits with Central Bank of Barbados	(81,109,000)	(81,221,000)
	<u>172,307,539</u>	<u>62,598,943</u>

SCOTIABANK BOARD OF DIRECTORS

Nora A. Aufreiter	John C. Kerr, C.M., O.B.C., LL.D.
Guillermo E. Babatz	Thomas C. O'Neill
Ronald A. Brenneman	Brian J. Porter
C.J. Chen	Aaron W. Regent
Charles H. Dallara, Ph.D.	Indira V. Samarasekera, O.C., Ph.D.
David A. Dodge, O.C.	Susan L. Segal
N. Ashleigh Everett	Paul D. Sobe
William R. Fatt	Barbara S. Thomas

Summary Statement of Profit or Loss

For the year ended October 31, 2014

(expressed in Barbados dollars)

	2014	2013
	\$	\$
Interest income		
Loans	135,228,790	139,686,533
Securities	9,582,821	10,277,932
Total interest income	<u>144,811,611</u>	<u>149,964,465</u>
Interest expense	<u>28,265,497</u>	<u>34,524,812</u>
Net interest income	<u>116,546,114</u>	<u>115,439,653</u>
Other income	<u>54,194,217</u>	<u>58,717,450</u>
Net interest and other income	<u>170,740,331</u>	<u>174,157,103</u>
Non-interest expenses		
Salaries and staff benefits	38,416,254	39,565,270
Other expenses	40,101,907	33,397,464
Premises and equipment	14,318,591	15,824,950
Provision for credit losses	19,429,041	15,345,515
Head Office expenses	7,574,611	11,479,507
Depreciation	3,051,418	2,705,606
Total non-interest expenses	<u>122,891,822</u>	<u>118,318,312</u>
Profit before taxation	<u>47,848,509</u>	<u>55,838,791</u>
Taxation	<u>10,699,782</u>	<u>12,142,111</u>
Net profit for the year	<u>37,148,727</u>	<u>43,696,680</u>

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Managing Director of
The Bank of Nova Scotia - Barbados Branches

The accompanying summary financial statements, which comprise the summary statement of financial position as at October 31, 2014, the summary statement of profit or loss, 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 - Barbados Branches for the year ended October 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated February 25, 2015.

The summary financial statements do not contain all the disclosures required by the alternative basis of accounting applied in the preparation of the audited financial statements of The Bank of Nova Scotia - Barbados Branches. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Bank of Nova Scotia - Barbados 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 - Barbados Branches for the year ended October 31, 2014 are consistent, in all material respects, with those financial statements.

Chartered Accountants
Bridgetown, Barbados
February 25, 2015

THE BANK OF NOVA SCOTIA

BROAD STREET, BLACK ROCK, ROCKLEY, WILDEY, WARRENS, HOLETOWN, HAGGATT HALL

THE ABOVE INFORMATION IS AN EXTRACT FROM THE FULL FINANCIAL STATEMENTS WITHIN THE MEANING OF SECTION 45 OF THE FINANCIAL INSTITUTIONS ACT, 1996. FULL FINANCIAL STATEMENTS MAY BE INSPECTED ON REQUEST

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