

THE BANK OF NOVA SCOTIA - BARBADOS BRANCHES

2012 FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2012

(expressed in Barbados dollars)

	2012	2011
	\$	\$
Assets		
Cash resources		
Cash	12,921,425	13,250,771
Deposits with Central Bank of Barbados	114,382,436	113,686,287
Due from other banks	245,913,415	109,765,909
	373,217,276	236,702,967
Securities	254,852,404	206,921,487
Loans	1,857,165,599	1,773,357,569
Other		
Property, plant and equipment	39,077,400	40,048,933
Assets classified as held for sale	254,068	254,068
Other assets	2,956,693	13,062,448
	42,288,161	53,365,449
	2,527,523,440	2,270,347,472
Liabilities		
Deposits	1,602,647,785	1,505,022,992
Other		
Cheques and other items in transit, net	4,043,236	11,742,238
Taxation payable	11,532,710	14,525,213
Other liabilities	15,667,339	9,722,134
Due to other banks	235,007,689	115,810,328
Deferred taxation	597,376	1,285,268
	266,848,350	153,085,181
	1,869,496,135	1,658,108,173
Head Office Account		
Assigned capital	4,000,000	4,000,000
Due to Head Office	391,529,742	376,495,878
General banking reserve	11,347,191	-
Fair value reserve	15,508,937	16,074,258
Retained earnings	235,641,435	215,669,163
	658,027,305	612,239,299
	2,527,523,440	2,270,347,472

Approved on February 27, 2013 by

Managing Director
 Caribbean East

Senior Manager Finance

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2012

(expressed in Barbados dollars)

	Assigned capital	Fair value reserve	Due to Head Office	General banking reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$
Balance - October 31, 2010	4,000,000	7,283,479	360,416,415	24,505,243	173,950,944	570,156,081
Net profit for the year	-	-	-	-	51,735,837	51,735,837
Other comprehensive income for the year	-	8,790,779	-	-	-	8,790,779
Net advances from Head Office	-	-	16,079,463	-	-	16,079,463
Transfer from general banking reserve	-	-	-	(24,505,243)	24,505,243	-
Profits remitted to Head Office	-	-	-	-	(34,522,861)	(34,522,861)
Balance - October 31, 2011	4,000,000	16,074,258	376,495,878	-	215,669,163	612,239,299
Net profit for the year	-	-	-	-	40,815,905	40,815,905
Other comprehensive loss for the year	-	(565,321)	-	-	-	(565,321)
Net advances from Head Office	-	-	15,033,864	-	-	15,033,864
Transfer to general banking reserve	-	-	-	11,347,191	(11,347,191)	-
Profits remitted to Head Office	-	-	-	-	(9,496,442)	(9,496,442)
Balance - October 31, 2012	4,000,000	15,508,937	391,529,742	11,347,191	235,641,435	658,027,305

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

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, 2012, 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 - Barbados Branches for the year ended October 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated February 27, 2013.

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 - 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, 2012 are consistent, in all material respects, with those financial statements.

Chartered Accountants
 Bridgetown, Barbados
 February 27, 2013

Summary Statement of Cash Flows

For the year ended October 31, 2012

(expressed in Barbados dollars)

	2012	2011
	\$	\$
Cash flows from operating activities		
Profit before taxation	52,204,129	67,646,498
Provision for credit losses	11,832,042	12,737,133
Depreciation	2,763,449	2,493,832
Gain on disposal of securities	(621,469)	-
Loss on disposal of fixed assets	12,926	86,982
Interest income	(149,102,230)	(147,115,534)
Interest expense	39,013,571	37,339,124
	(43,897,582)	(26,811,965)
Changes in operating assets and liabilities		
Increase in loans, net	(94,999,818)	(125,168,985)
Decrease in other assets	8,844,755	15,423,300
(Decrease) increase in other liabilities	(1,753,797)	620,386
Increase in deposits	97,627,825	68,612,273
	(34,178,617)	(67,324,991)
Cash used in operations	(15,068,619)	(15,355,440)
Corporation tax paid	147,705,439	151,936,672
Interest received	(39,016,603)	(37,540,680)
Interest paid	59,441,600	31,715,561
Net cash from operating activities	59,441,600	31,715,561
Cash flows from investing activities		
(Purchase) sale of securities, net	(37,865,187)	18,040,663
Purchase of property, plant and equipment	(1,867,493)	(3,518,814)
Disposal of property, plant and equipment	62,651	3,754
Net cash (used in) from investing activities	(39,670,029)	14,525,603
Cash flows from financing activities		
Profits remitted to Head Office	(9,496,442)	(34,522,861)
Net financing from Head Office	15,033,864	16,079,463
Net cash from (used in) financing activities	5,537,422	(18,443,398)
Net increase in cash for year	25,308,993	27,797,766
Cash and cash equivalents - beginning of year	110,923,139	83,125,373
Cash and cash equivalents - end of year	136,232,132	110,923,139
Cash and cash equivalents comprise:		
Cash	12,921,425	13,250,771
Deposits with Central Bank of Barbados	114,382,436	113,686,287
Due from other banks	245,913,415	109,765,909
Securities	73,705,545	64,452,500
Due to other banks	(235,007,689)	(115,810,328)
	211,915,132	185,345,139
Mandatory reserve deposits with Central Bank of Barbados	(75,683,000)	(74,422,000)
	136,232,132	110,923,139

SCOTIABANK BOARD OF DIRECTORS

Ronald A. Brenneman	Susan L. Segal
C.J. Chen	Indira V. Samarasekera, O.C., Ph.D.
David A. Dodge, O.C.	Allan C. Shaw, C.M., LL.D.
N. Ashleigh Everett	Paul D. Sobey
John C. Kerr, C.M., O.B.C., LL.D.	Barbara S. Thomas
John T. Mayberry, C.M.	Richard E. Waugh
Thomas C. O'Neill	

Summary Statement of Comprehensive Income

For the year ended October 31, 2012

(expressed in Barbados dollars)

	2012	2011
	\$	\$
Interest income		
Loans	139,169,664	136,727,822
Securities	9,932,566	9,248,332
Head Office and other branches	-	1,139,380
Total interest income	149,102,230	147,115,534
Interest expense	39,013,571	37,339,124
Net interest income	110,088,659	109,776,410
Other income	50,677,598	51,514,823
Net interest and other income	160,766,257	161,291,233
Non-interest expenses		
Salaries and staff benefits	37,113,991	32,811,294
Other expenses	29,292,279	26,322,017
Premises and equipment	15,053,697	14,911,920
Provision for credit losses	11,832,042	12,737,133
Head Office expenses	12,506,670	4,368,539
Depreciation	2,763,449	2,493,832
Total non-interest expenses	108,562,128	93,644,735
Profit before taxation	52,204,129	67,646,498
Taxation	11,388,224	15,910,661
Net profit for the year	40,815,905	51,735,837
Other comprehensive (loss)/income		
Revaluation surplus	-	8,225,458
Fair value gains on securities	-	565,321
Net amount of unrealised gain on securities transferred to profit or loss	(565,321)	-
	(565,321)	8,790,779
Total comprehensive income for the year	40,250,584	60,526,616

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

* Trademarks of The Bank of Nova Scotia.