

THE BANK OF NOVA SCOTIA - BARBADOS BRANCHES 2013 FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2013

(expressed in Barbados dollars)

	2013	2012
	\$	\$
Assets		
Cash resources		
Cash	11,744,521	12,921,425
Deposits with Central Bank of Barbados	126,978,073	114,382,436
Due from other banks	215,782,821	245,913,415
	<u>354,505,415</u>	<u>373,217,276</u>
Securities	258,560,619	254,852,404
Loans	1,894,736,766	1,857,165,599
Other		
Property, plant and equipment	41,984,622	39,077,400
Assets classified as held for sale	-	254,068
Other assets	3,285,225	2,956,693
	<u>45,269,847</u>	<u>42,288,161</u>
	<u>2,553,072,647</u>	<u>2,527,523,440</u>
Liabilities		
Deposits	1,668,658,343	1,602,647,785
Other		
Cheques and other items in transit, net	4,257,568	4,043,236
Taxation payable	11,201,037	11,532,710
Other liabilities	21,930,689	15,667,339
Due to other banks	210,685,472	235,007,689
Deferred taxation	1,010,044	597,376
	<u>249,084,810</u>	<u>266,848,350</u>
	<u>1,917,743,153</u>	<u>1,869,496,135</u>
Head Office Account		
Assigned capital	4,000,000	4,000,000
Due to Head Office	373,969,822	391,529,742
General banking reserve	-	11,347,191
Fair value reserve	15,508,937	15,508,937
Retained earnings	241,850,735	235,641,435
	<u>635,329,494</u>	<u>658,027,305</u>
	<u>2,553,072,647</u>	<u>2,527,523,440</u>

Approved on February 26, 2014 by

David Noel
Managing Director
Caribbean East

Margaret Stuart
Senior Manager Finance

Summary Statement of Cash Flows

For the year ended October 31, 2013

(expressed in Barbados dollars)

	2013	2012
	\$	\$
Cash flows from operating activities		
Profit before taxation	55,838,791	52,204,129
Provision for credit losses	15,345,515	11,832,042
Depreciation	2,705,606	2,763,449
Gain on disposal of securities	-	(621,469)
Loss on disposal of fixed assets	(1,169,374)	12,926
Interest income	(149,964,465)	(149,102,230)
Interest expense	34,524,812	39,013,571
	<u>(42,719,115)</u>	<u>(43,897,582)</u>
Changes in operating assets and liabilities		
Increase in loans, net	(53,318,939)	(94,999,818)
(Increase)/decrease in other assets	(5,866,532)	8,844,755
Increase/(decrease) in other liabilities	6,477,682	(1,753,797)
Increase in deposits	66,653,265	97,627,825
	<u>(28,773,639)</u>	<u>(34,178,617)</u>
Cash used in operations	(28,773,639)	(34,178,617)
Corporation tax paid	(12,061,116)	(15,068,619)
Interest received	151,302,812	147,705,439
Interest paid	(35,167,519)	(39,016,603)
Net cash from operating activities	<u>75,300,538</u>	<u>59,441,600</u>
Cash flows from investing activities		
Purchase of securities, net	(4,644,305)	(111,570,732)
Purchase of property, plant and equipment	(5,642,645)	(1,867,493)
Proceeds on disposal of property, plant and equipment	1,453,259	62,651
Net cash used in investing activities	<u>(8,833,691)</u>	<u>(113,375,574)</u>
Cash flows used in financing activities		
Profits remitted to Head Office	(48,834,571)	(9,496,442)
Net financing from Head Office	(17,559,920)	15,033,864
Net cash (used in)/from financing activities	<u>(66,394,491)</u>	<u>5,537,422</u>
Net increase/(decrease) in cash for year	<u>72,356</u>	<u>(48,396,552)</u>
Cash and cash equivalents - beginning of year	<u>62,526,587</u>	<u>110,923,139</u>
Cash and cash equivalents - end of year	<u>62,598,943</u>	<u>62,526,587</u>
Cash and cash equivalents comprise:		
Cash	11,744,521	12,921,425
Deposits with Central Bank of Barbados	126,978,073	114,382,436
Due from other banks	215,782,821	245,913,415
Due to other banks	(210,685,472)	(235,007,689)
	<u>143,819,943</u>	<u>138,209,587</u>
Mandatory reserve deposits with Central Bank of Barbados	(81,221,000)	(75,683,000)
	<u>62,598,943</u>	<u>62,526,587</u>

Summary Statement of Changes in Head Office Account

For the year ended October 31, 2013

(expressed in Barbados dollars)

	Assigned capital	Fair value reserve	Due to Head Office	General banking reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$
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 income for the year	-	(565,321)	-	-	-	(565,321)
Net advances from Head Office	-	-	15,033,864	-	-	15,033,864
Transfer from 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
Net profit for the year	-	-	-	-	43,696,680	43,696,680
Other comprehensive loss for the year	-	-	-	-	-	-
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	4,000,000	15,508,937	373,969,822	-	241,850,735	635,329,494

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.	Charles H. Dallara, Ph.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	Brian J. Porter
Aaron W. Regent	

Summary Statement of Comprehensive Income

For the year ended October 31, 2013

(expressed in Barbados dollars)

	2013	2012
	\$	\$
Interest income		
Loans	139,686,533	139,169,664
Securities	10,277,932	9,932,566
Total interest income	<u>149,964,465</u>	<u>149,102,230</u>
Interest expense	<u>34,524,812</u>	<u>39,013,571</u>
Net interest income	<u>115,439,653</u>	<u>110,088,659</u>
Other income	<u>58,717,450</u>	<u>50,677,598</u>
Net interest and other income	<u>174,157,103</u>	<u>160,766,257</u>
Non-interest expenses		
Salaries and staff benefits	39,565,270	37,113,991
Other expenses	33,397,464	29,292,279
Premises and equipment	15,824,950	15,053,697
Provision for credit losses	15,345,515	11,832,042
Head Office expenses	11,479,507	12,506,670
Depreciation	2,705,606	2,763,449
Total non-interest expenses	<u>118,318,312</u>	<u>108,562,128</u>
Profit before taxation	<u>55,838,791</u>	<u>52,204,129</u>
Taxation	<u>12,142,111</u>	<u>11,388,224</u>
Net profit for the year	<u>43,696,680</u>	<u>40,815,905</u>
Other comprehensive (loss)/income		
Net amount of unrealised gain on securities transferred to profit or loss	-	(565,321)
	-	(565,321)
Total comprehensive income for the year	<u>43,696,680</u>	<u>40,250,584</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, 2013, 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, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated February 26, 2014.

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, 2013 are consistent, in all material respects, with those financial statements.

Chartered Accountants
Bridgetown, Barbados
February 26, 2014

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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