

THE BANK OF NOVA SCOTIA - BARBADOS BRANCHES

FINANCIAL STATEMENTS



Balance Sheet

As at October 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Assets		
Cash resources		
Cash	14,807,110	18,084,381
Deposits with Central Bank of Barbados	141,795,432	110,786,802
Due from other banks	66,790,656	204,743,314
	<u>223,393,198</u>	<u>333,614,497</u>
Securities	254,686,522	268,409,671
Loans	1,615,432,361	1,528,824,284
Other		
Property, plant and equipment	30,086,693	31,698,153
Assets classified as held for sale	254,068	254,068
Other assets	2,854,429	3,059,623
	<u>33,195,190</u>	<u>35,011,844</u>
	<u>2,126,707,271</u>	<u>2,165,860,296</u>
Liabilities		
Deposits	1,415,318,642	1,332,388,104
Other		
Cheques and other items in transit, net	5,348,704	4,698,355
Taxation payable	14,526,066	14,597,771
Other liabilities	7,902,958	9,602,625
Due to other banks	133,136,290	271,321,706
Deferred taxation	621,057	583,950
	<u>161,535,075</u>	<u>300,804,407</u>
Head Office account		
Assigned capital	4,000,000	4,000,000
Revaluation surplus	7,283,479	7,283,479
Due to Head Office	367,587,304	366,043,883
Retained earnings	170,982,771	155,340,423
	<u>549,853,554</u>	<u>532,667,785</u>
	<u>2,126,707,271</u>	<u>2,165,860,296</u>

Approved on February 23, 2010 by

Managing Director
Caribbean East

Senior Manager Finance

Statement of Changes in Head Office Account

For the year ended October 31, 2009

(expressed in Barbados dollars)

	Assigned capital	Revaluation surplus	Due to Head Office	Retained earnings	Total
	\$	\$	\$	\$	\$
Balance - October 31, 2007	4,000,000	7,283,479	325,472,398	133,786,382	470,542,259
Net income for the year	-	-	-	51,085,407	51,085,407
Withholding taxes paid on prior year remittances to Head Office	-	-	-	(7,528,415)	(7,528,415)
Net advances from Head Office	-	-	40,571,485	-	40,571,485
Profits remitted to Head Office	-	-	-	(22,002,951)	(22,002,951)
Balance - October 31, 2008	<u>4,000,000</u>	<u>7,283,479</u>	<u>366,043,883</u>	<u>155,340,423</u>	<u>532,667,785</u>
Balance - October 31, 2008	4,000,000	7,283,479	366,043,883	155,340,423	532,667,785
Net income for the year	-	-	-	51,890,883	51,890,883
Net advances from Head Office	-	-	1,543,421	-	1,543,421
Profits remitted to Head Office	-	-	-	(36,248,535)	(36,248,535)
Balance - October 31, 2009	<u>4,000,000</u>	<u>7,283,479</u>	<u>367,587,304</u>	<u>170,982,771</u>	<u>549,853,554</u>

Statement of Income

For the year ended October 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Interest income		
Loans	128,801,001	125,751,705
Securities	11,441,937	10,843,303
Head Office and other branches	292,760	2,019,468
Total interest income	<u>140,535,698</u>	<u>138,614,476</u>
Interest expense	46,886,415	59,320,454
Net interest income	<u>93,649,283</u>	<u>79,294,022</u>
Other income	43,072,767	48,894,642
Net interest and other income	<u>136,722,050</u>	<u>128,188,664</u>
Non-interest expenses		
Salaries and staff benefits	30,802,833	29,539,912
Premises and equipment expenses, including depreciation	15,427,315	13,215,781
Provision for credit losses	6,044,770	2,325,656
Head Office expenses	3,055,087	2,519,191
Other expenses	14,257,346	14,322,261
Total non-interest expenses	<u>69,587,351</u>	<u>61,922,801</u>
Income before taxation	67,134,699	66,265,863
Taxation	15,243,816	15,180,456
Net income for the year	<u>51,890,883</u>	<u>51,085,407</u>

Statement of Cash Flow

For the year ended October 31, 2009

(expressed in Barbados dollars)

	2009	2008
	\$	\$
Cash flows from operating activities		
Income before taxation	67,134,699	66,265,863
Provision for credit losses	6,044,770	2,325,656
Loss on disposal of fixed assets	-	354,115
Depreciation	3,103,960	1,838,243
Interest income	(140,535,698)	(138,614,476)
Interest expense	46,886,415	59,320,454
	<u>(17,365,854)</u>	<u>(8,510,145)</u>
Changes in operating assets and liabilities		
Increase in loans, net	(92,814,528)	(159,734,632)
Decrease in other assets and liabilities, net	(4,623,124)	(11,387,424)
Increase in deposits	81,322,556	129,971,424
Cash used in operations	(33,480,950)	(49,660,777)
Corporation tax paid	(15,278,414)	(10,885,002)
Corporation tax refund received	-	2,442,610
Interest received	143,107,834	136,363,438
Interest paid	(45,278,433)	(57,243,305)
Net cash from operating activities	<u>49,070,037</u>	<u>21,016,964</u>
Cash flows from investing activities		
Disposal (purchase) of securities, net	42,021,333	(40,744,588)
Purchase of property, plant and equipment	(1,492,500)	(5,445,088)
Net cash from (used in) investing activities	<u>40,528,833</u>	<u>(46,189,676)</u>
Cash flows from financing activities		
Profits remitted to Head Office	(36,248,535)	(29,531,366)
Net financing from Head Office	1,543,421	40,571,485
Net cash (used in) from financing activities	<u>(34,705,114)</u>	<u>11,040,119</u>
Net increase (decrease) in cash and cash equivalents for the year	54,893,756	(14,132,593)
Cash and cash equivalents - beginning of year	133,744,853	147,877,446
Cash and cash equivalents - end of year	<u>188,638,609</u>	<u>133,744,853</u>
Cash and cash equivalents comprise:		
Cash	14,807,110	18,084,381
Deposits with Central Bank of Barbados	141,795,432	110,786,802
Due from other banks	66,790,656	204,743,314
Securities	167,764,701	137,056,062
Due to other banks	(133,136,290)	(271,321,706)
	<u>258,021,609</u>	<u>199,348,853</u>
Mandatory reserve deposits with Central Bank of Barbados	(69,383,000)	(65,604,000)
	<u>188,638,609</u>	<u>133,744,853</u>

SCOTIABANK BOARD OF DIRECTORS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Abridged Financial Statements

We have audited the financial statements of The Bank of Nova Scotia - Barbados Branches for the year ended October 31, 2009, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing. In our report dated February 23, 2010, 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 are derived.

For a better understanding of The Bank of Nova Scotia - Barbados 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
Bridgetown, Barbados
February 23, 2010

THE BANK OF NOVA SCOTIA

BROAD STREET, INDEPENDENCE SQUARE, 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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