

SCOTIABANK ANGUILLA LIMITED

2013 SUMMARY FINANCIAL STATEMENTS



Summary Statement of Financial Position

As at October 31, 2013

(expressed in Eastern Caribbean Dollars)

	2013	2012
	\$	\$
Assets		
Cash and cash equivalents	97,783,814	92,840,699
Due from related party	37,243,530	42,436,450
Loans and advances to customers - net	203,573,720	202,032,341
Accrued interest receivable	815,508	2,190,675
Property and equipment - net	371,567	497,591
Other assets	127,955	12,333
Total Assets	339,916,094	340,010,089
Liabilities and Shareholder's Equity		
Liabilities		
Deposits from customers	194,873,147	184,716,064
Accrued interest payable	480,674	288,352
Due to related parties	53,583,097	66,575,263
Dividends payable	27,000,000	-
Retirement benefit obligation	186,142	161,142
Other liabilities	341,689	1,708,954
Total Liabilities	276,464,749	253,449,775
Shareholder's equity		
Share capital	32,400,000	32,400,000
Statutory reserve	17,038,517	16,260,311
Loan loss reserve	488,485	1,697,107
Retained earnings	13,524,343	36,202,896
Total shareholder's equity	63,451,345	86,560,314
Total liabilities and shareholder's equity	339,916,094	340,010,089

These financial statements were approved on behalf of the Board of Directors on 28 February 2014 by the following:

Pamela Herbert-Daniel
 Managing Director

Evan Webster
 Director

Summary Statement of Comprehensive Income

For the Year Ended October 31, 2013

(expressed in Eastern Caribbean Dollars)

	2013	2012
	\$	\$
Interest income		
Cash and cash equivalents	2,311,503	1,931,215
Investment securities	43,527	158,849
Loans and advances to customers	15,192,467	15,934,727
	<u>17,547,497</u>	<u>18,024,791</u>
Interest expense		
Savings	1,702,207	1,446,302
Time deposits	1,208,440	948,000
Due to related parties	686,495	708,362
	<u>3,597,142</u>	<u>3,102,664</u>
Net interest income	13,950,355	14,922,127
Other income		
Service charges, fees and commissions	4,565,905	4,031,673
Foreign exchange gain - net	556,458	462,358
	<u>5,122,363</u>	<u>4,494,031</u>
Operating income	19,072,718	19,416,158
Operating expenses		
Salaries, bonuses and other allowances	2,006,035	2,421,592
Impairment losses	4,724,099	678,458
Depreciation	150,520	152,431
Other	7,174,270	6,082,819
	<u>14,054,924</u>	<u>9,335,300</u>
Profit before taxation	5,017,794	10,080,858
Tax on assets	1,126,763	1,164,262
Net profit and comprehensive income	3,891,031	8,916,596

Summary Statement of Changes in Shareholder's Equity

For the Year Ended October 31, 2013

(expressed in Eastern Caribbean Dollars)

	2013	2012
	\$	\$
Share capital and premium		
Authorized - 20,000,000 shares		
Issued - 12,000,000 shares at \$2.70 per share (Par value US\$1.00)	<u>32,400,000</u>	<u>32,400,000</u>
Statutory reserve		
Balance at beginning of year	16,260,311	14,476,992
Transfer from retained earnings	778,206	1,783,319
Balance at end of year	17,038,517	16,260,311
Loan loss reserve		
Balance at beginning of year	1,697,107	711,127
Transfer (from)/to retained earnings	(1,208,622)	985,980
Balance at end of year	488,485	1,697,107
Retained earnings		
Balance at beginning of year	36,202,896	57,055,599
Net profit and comprehensive income	3,891,031	8,916,596
Dividends declared	(27,000,000)	(27,000,000)
Transfer to statutory reserve	(778,206)	(1,783,319)
Transfer to/(from) loan loss reserve	1,208,622	(985,980)
Balance at end of year	13,524,343	36,202,896
Total	63,451,345	86,560,314

Summary Statement of Cash Flows

For the Year Ended October 31, 2013

(expressed in Eastern Caribbean Dollars)

	2013	2012
	\$	\$
Cash flows from operating activities		
Profit before taxation	5,017,794	10,080,858
Adjustments for:		
Interest income	(17,547,497)	(18,024,791)
Interest expense	3,597,142	3,102,664
Impairment losses	4,724,099	678,458
Accounts written off	(767,512)	(117,542)
Depreciation	150,520	152,431
	<u>(4,825,454)</u>	<u>(4,127,922)</u>
Decrease/(increase) in:		
Loans and advances to customers	(5,497,966)	(25,095,038)
Other assets	(115,622)	-
Increase/(decrease) in:		
Deposits from customers	10,157,083	(51,453,912)
Retirement benefit obligation	25,000	161,142
Due to related parties	(10,244,463)	13,175,601
Other liabilities	(1,367,265)	(55,259)
Cash used in operations	(11,868,687)	(67,395,388)
Interest received	18,922,664	17,594,692
Interest paid	(2,722,693)	(2,582,704)
Tax on assets paid	(1,126,763)	(1,164,262)
Net cash from/(used in) operating activities	3,204,521	(53,547,662)
Cash flows from investing activities		
Acquisition of property and equipment	(24,496)	(108,820)
Decrease/(increase) in due from related party	5,192,920	(679,392)
Net cash from/(used in) investing activities	5,168,424	(788,212)
Cash flows from financing activities		
(Decrease)/increase in due to related parties	(2,747,703)	9,873,539
Dividends declared and paid	-	(27,000,000)
Interest paid	(682,127)	(695,373)
Net cash used in financing activities	(3,429,830)	(17,821,834)
Net increase/(decrease) in cash and cash equivalents	4,943,115	(72,157,708)
Cash and cash equivalents at beginning of year	92,840,699	164,998,407
Cash and cash equivalents at end of year	97,783,814	92,840,699

SCOTIABANK BOARD OF DIRECTORS

Sean Albert
 Beth Nottage
 Pamela Herbert-Daniel
 Evan Webster
 Claire Jordan

COUNTRY MANAGER - SCOTIABANK

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholder
 Scotiabank Anguilla Limited

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 shareholder's equity and summary statement of cash flows for the year then ended, are derived from the audited financial statements of Scotiabank Anguilla Limited for the year ended October 31, 2013. We expressed an unqualified audit opinion on those financial statements in our report dated February 28, 2014.

These 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 Scotiabank Anguilla Limited. Reading these summary financial statements, therefore, is not a substitute for reading the audited financial statements of Scotiabank Anguilla Limited.

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 these summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engage-

ments to Report on Summary Financial Statements."

Opinion

In our opinion, these summary financial statements derived from the audited financial statements of Scotiabank Anguilla Limited for the year ended October 31, 2013 are consistent, in all material respects, with those financial statements.

Chartered Accountants
 28 February 2014
 Antigua and Barbuda