

SCOTIABANK ANGUILLA LIMITED

2011 FINANCIAL STATEMENTS



Statement of Financial Position

As at October 31, 2011

(expressed in Eastern Caribbean Dollars)

	2011	2010
	\$	\$
Assets		
Cash and cash equivalents	164,998,407	105,442,030
Due from related party	41,757,058	87,005,869
Loans and advances to customers - net	177,498,219	175,515,424
Accrued interest receivable	1,760,575	1,243,529
Property and equipment - net	541,202	351,712
Other assets	12,333	14,786
Total Assets	386,567,794	369,573,350
Liabilities and Shareholder's Equity		
Liabilities		
Deposits from customers	236,169,976	225,597,047
Accrued interest payable	463,764	291,458
Due to related parties	43,526,123	45,417,383
Other liabilities	1,764,213	1,922,507
Total liabilities	281,924,076	273,228,395
Shareholder's equity		
Share capital	32,400,000	32,400,000
Statutory reserve	14,476,992	12,817,238
Loan loss reserve	711,127	808,000
Retained earnings	57,055,599	50,319,717
Total shareholder's equity	104,643,718	96,344,955
Total liabilities and shareholder's equity	386,567,794	369,573,350

These financial statements were approved on behalf of the Board of Directors on 28 February 2012 by the following:

Kerwin Jn. Baptiste
Managing Director

Evan Webster
Director

Statement of Comprehensive Income

For the Year Ended October 31, 2011

(expressed in Eastern Caribbean Dollars)

	2011	2010
	\$	\$
Interest income		
Cash and cash equivalents	2,449,831	1,121
Investment securities	345,616	772,647
Loans and advances to customers	15,057,781	14,626,502
	<u>17,853,228</u>	<u>15,400,270</u>
Interest expense		
Savings	1,400,217	1,180,102
Time deposits	1,320,864	696,127
Due to related parties	590,825	467,732
	<u>3,311,906</u>	<u>2,343,961</u>
Net interest income	14,541,322	13,056,309
Other income		
Service charges, fees and commissions	3,787,696	3,564,368
Foreign exchange gain - net	301,240	474,592
Other	-	278,778
	<u>4,088,936</u>	<u>4,317,738</u>
Operating income	18,630,258	17,374,047
Operating expenses		
Salaries, bonuses and other allowances	1,957,172	1,850,406
Impairment losses	1,702,021	1,575,106
Depreciation	155,159	169,865
Other	5,350,083	4,607,880
	<u>9,164,435</u>	<u>8,203,257</u>
Profit before taxation	9,465,823	9,170,790
Tax on assets	1,167,060	1,027,734
Net profit and comprehensive income	8,298,763	8,143,056

Statement of Changes in Shareholder's Equity

For the Year Ended October 31, 2011

(expressed in Eastern Caribbean Dollars)

	2011	2010
	\$	\$
Share capital		
Authorized - 20,000,000 shares		
Issued	32,400,000	32,400,000
Statutory reserve		
Balance at beginning of year	12,817,239	11,188,627
Transfer from retained earnings	1,659,753	1,628,612
Balance at end of year	<u>14,476,992</u>	<u>12,817,239</u>
Loan loss reserve		
Balance at beginning of year	808,000	-
Transfer (to)/from retained earnings	(96,873)	808,000
Balance at end of year	<u>711,127</u>	<u>808,000</u>
Retained earnings		
Balance at beginning of year	50,319,716	44,613,272
Net profit and comprehensive income	8,298,763	8,143,056
Transfer to statutory reserve	(1,659,753)	(1,628,612)
Transfer from/(to) loan loss reserve	96,873	(808,000)
Balance at end of year	<u>57,055,599</u>	<u>50,319,716</u>
	<u>104,643,718</u>	<u>96,344,955</u>

Statement of Cash Flows

For the Year Ended October 31, 2011

(expressed in Eastern Caribbean Dollars)

	2011	2010
	\$	\$
Cash flows from operating activities		
Profit before taxation	9,465,823	9,170,790
Adjustments for:		
Interest income	(17,853,228)	(15,400,270)
Interest expense	3,311,906	2,343,961
Impairment losses	1,702,021	1,096,865
Accounts written off	(692,201)	(14,365)
Depreciation	155,159	169,865
Gain on sale of investment securities	-	(294,837)
Operating loss before working capital changes	<u>(3,910,520)</u>	<u>(2,927,991)</u>
Decrease/(increase) in:		
Loans and advances to customers	(2,992,615)	(6,540,755)
Other assets	2,453	246
Increase/(decrease) in:		
Deposits from customers	10,572,929	53,932,284
Other liabilities	(158,294)	(534,748)
Cash from operations	<u>3,513,953</u>	<u>43,929,036</u>
Interest received	17,336,182	15,579,653
Interest paid	(2,547,343)	(1,704,897)
Tax on assets paid	(1,167,060)	(1,027,734)
Net cash from operating activities	17,135,732	56,776,058
Cash flows from investing activities		
Proceeds from sale of investment securities	-	803,455
Acquisition of property and equipment	(344,649)	(223,519)
Net cash (used in)/from investing activities	(344,649)	579,936
Cash flows from financing activities		
Net advances from related parties	43,357,551	20,455,803
Interest paid	(592,257)	(457,081)
Net cash from financing activities	42,765,294	19,998,722
Net increase in cash and cash equivalents	59,556,377	77,354,716
Cash and cash equivalents at beginning of year	105,442,030	28,087,314
Cash and cash equivalents at end of year	164,998,407	105,442,030

SCOTIABANK BOARD OF DIRECTORS

Sean Albert
Beth Nottage
Kerwin Jean Baptiste

Evan Webster
Andrew Niles
Skip Bates

COUNTRY MANAGER - SCOTIABANK INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder
Scotiabank Anguilla Limited

Report on the Abridged Financial Statements

We have audited the financial statements of Scotiabank Anguilla Limited as at and for the year ended October 31, 2011, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing. In our report dated 28 February 2012, we expressed an unqualified opinion on the financial statements from which these abridged financial statements were derived.

Opinion

In our opinion, the accompanying financial statements are consistent, in all material respects, with the financial statements from which they are derived.

For a better understanding of Scotiabank Anguilla Limited financial position and the results of its operations as at and for the year then ended 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
28 February 2012
The Valley, Anguilla, B.W.I.

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Scotiabank Anguilla Ltd
Hannah-Waver House,
The Valley, Anguilla,
British West Indies (B.W.I.)

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OF THE BANK OF NOVA SCOTIA**