

SCOTIABANK ANGUILLA LIMITED

2010 FINANCIAL STATEMENTS



Statement of Financial Position

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Assets		
Cash and cash equivalents	105,442,030	28,087,314
Due from related party	87,005,869	92,908,544
Investment securities	-	508,618
Loans and advances to customers - net	175,515,424	170,057,169
Accrued interest receivable	1,243,529	1,422,912
Property and equipment - net	351,712	298,058
Other assets	14,786	15,032
Total Assets	369,573,350	293,297,647
Liabilities and Shareholder's Equity		
Liabilities		
Deposits from customers	225,597,047	171,664,763
Accrued interest payable	291,458	109,475
Due to related parties	45,417,383	30,864,255
Other liabilities	1,922,507	2,457,255
Total liabilities	273,228,395	205,095,748
Shareholder's equity		
Share capital	32,400,000	32,400,000
Statutory reserve	12,817,238	11,188,627
Loan loss reserve	808,000	-
Retained earnings	50,319,717	44,613,272
Total shareholder's equity	96,344,955	88,201,899
Total liabilities and shareholder's equity	369,573,350	293,297,647

These financial statements were approved on behalf of the Board of Directors on 28 February 2011 by the following:

Kerwin Jn. Baptiste
Managing Director

Eugenia Thomas
Director

Statement of Comprehensive Income

As at October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Interest income		
Cash and cash equivalents	1,121	5,962
Investment securities	772,647	1,681,487
Loans and advances to customers	14,626,502	13,897,494
	<u>15,400,270</u>	<u>15,584,943</u>
Interest expense		
Savings	1,180,102	756,800
Time deposits	696,127	693,907
Due to related parties	467,732	483,537
	<u>2,343,961</u>	<u>1,934,244</u>
Net interest income	13,056,309	13,650,699
Other income		
Service charges, fees and commissions	3,564,368	3,297,939
Foreign exchange gain - net	474,592	566,122
Recovery of allowance for impairment losses	-	518,104
Other	278,778	841
	<u>4,317,738</u>	<u>4,383,006</u>
Operating income	17,374,047	18,033,705
Operating expenses		
Salaries, bonuses and other allowances	1,850,406	1,620,421
Impairment losses	1,096,865	114,604
Depreciation	169,865	189,134
Other	5,086,121	5,439,782
	<u>8,203,257</u>	<u>7,363,941</u>
Profit before taxation	9,170,790	10,669,764
Tax on assets	1,027,734	833,211
Net profit and comprehensive income	8,143,056	9,836,553

Statement of Changes in Shareholder's Equity

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Share capital		
Authorized - 20,000,000 shares Issued and outstanding	32,400,000	32,400,000
Statutory reserve		
Balance at beginning of year		
As reported	11,188,627	9,122,349
Prior period adjustment	-	98,967
As restated	11,188,627	9,221,316
Transfer from retained earnings	1,628,612	1,967,311
Balance at end of year	12,817,239	11,188,627
Loan loss reserve		
Transfer from retained earnings and balances at end of year	808,000	-
Retained earnings		
Balance at beginning of year		
As reported	44,613,272	36,348,162
Prior period adjustment	-	395,868
As restated	44,613,272	36,744,030
Comprehensive income	8,143,056	9,836,553
Transfer to statutory reserve	(1,628,612)	(1,967,311)
Transfer to loan loss reserve	(808,000)	-
Balance at end of year	50,319,716	44,613,272
	<u>96,344,955</u>	<u>88,201,899</u>

Statement of Cash Flows

For the year ended October 31, 2010

(expressed in Eastern Caribbean dollars)

	2010	2009
	\$	\$
Cash flows from operating activities		
Profit before taxation	9,170,790	10,669,764
Adjustments for:		
Interest income	(15,400,270)	(15,584,943)
Interest expense	2,343,961	1,934,244
Recovery of allowance for impairment losses	-	(518,104)
Impairment losses	1,096,865	114,604
Accounts written off	(14,365)	-
Depreciation	169,865	189,134
Gain on sale of investment securities	(294,837)	-
Operating loss before working capital changes	(2,927,991)	(3,195,301)
Decrease/(increase) in:		
Loans and advances to customers	(6,540,755)	(35,869,402)
Other assets	246	1,271
Increase/(decrease) in:		
Deposits from customers	53,932,284	20,255,597
Other liabilities	(534,748)	667,844
Cash from/(used in) operations	43,929,036	(18,139,991)
Interest received	15,579,653	15,777,748
Interest paid	(1,704,897)	(1,552,450)
Tax on assets paid	(1,027,734)	(833,211)
Net cash from/(used in) operating activities	56,776,058	(4,747,904)
Cash flows from investing activities		
Proceeds from sale of investment securities	803,455	-
Acquisition of property and equipment	(223,519)	(51,670)
Net cash from/(used in) investing activities	579,936	(439,733)
Cash flows from financing activities		
Net advances from/(to) related parties	20,455,803	(4,327,314)
Interest paid	(457,081)	(499,309)
Net cash from/(used in) financing activities	19,998,722	(4,438,560)
Net increase/(decrease) in cash and cash equivalents	77,354,716	(9,626,197)
Cash and cash equivalents at beginning of year	28,087,314	37,713,511
Cash and cash equivalents at end of year	105,442,030	28,087,314

SCOTIABANK BOARD OF DIRECTORS

Kevin Teslyk
Beth Nottage
Kerwin JnBaptiste
Eugenia Thomas
Evan Webster
Andrew Niles

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, 2010, from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing. In our report dated February 28, 2011, 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 2011
The Valley, Anguilla, B.W.I.

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