

BANK OF NOVA SCOTIA JA. LTD 1996.

DIRECTORS' ANNUAL REPORT

The Directors submit herewith the statement of the Consolidated Revenue, Expenses and Unappropriated Profits of the Bank for the year ended October 31, 1996, together with the Statement of Consolidated Assets and Liabilities of the Bank and a Statement of Assets and Liabilities of the Bank as of that date.

The Consolidated Statement of Revenue and Expenses show pre-tax profit for the year of \$2475.3 Million from which there has been provided \$813.9 Million for corporate income tax, leaving a balance of \$1661.4 Million.

The appropriation of earnings detailed in the financial statements includes:

- i. Interim dividends of 45 cents and an extra dividend of 45 cents per stock unit to stockholders of record as of December 6, 1996, payable on January 2, 1997. This brings the total distribution for the year to 90 cents per share compared to 75 cents per share for the previous year.
- ii. A transfer to the Reserve Fund of \$205,710,000.
- iii. A transfer of \$533,000,000 to the Retained Earnings Reserve.

In view of the interim dividends paid and to be paid as mentioned above, the Directors do not recommend the declaration of a final dividend at the Annual General Meeting on January 31, 1997.

Messrs. M.W. Facey, D.K.C. Henriques and J.M. Matalon retire from the Board by

rotation and all three being eligible offer themselves for re-election.

On February 2, 1996 Mr. Cedric E. Ritchie retired from the Board, having served 24 years as a director including the most recent 14 years as Chairman. Under his able guidance, during this period the Bank experienced unprecedented growth in assets and profitability. The Directors are grateful for his leadership and keen interest in the welfare of both the Bank and Jamaica.

The Auditors, Price Waterhouse, have signified their willingness to continue in office.

Your Directors wish to thank the Management and Personnel of the Bank for their performance during the year under review.

On behalf of the Board

M.C. Johnston

Chairman, Kingston, Jamaica

November 21, 1996
