

Bank of Nova Scotia Jamaica Limited 1997

DIRECTORS' ANNUAL REPORT

The Directors submit herewith the Statement of Consolidated Revenue, Expenses, Unappropriated Profits, Assets, and Liabilities of the Bank for the year ended October 31, 1997.

The Consolidated Statement of Revenue and Expenses shows pre-tax profit for the year of \$2,263 Million from which there has been provided \$678 Million for corporate income tax, leaving a balance of \$1,585 Million.

On September 19, 1997, at an Extraordinary General Meeting of the Members of the company, resolutions were passed increasing the Authorised Share Capital from \$750,000,000 to \$1,500,000,000 and the Issued Share Capital from \$731,808,000 to \$1,463,616,000 by way of a 1 for 1 bonus share issue. The increase in the issued share capital was effected on October 6, 1997 and the cost of the Bonus Shares was met from the Retained Earnings Reserve as at July 31, 1997.

The appropriation of earnings detailed in the financial statements includes:

- i. An interim dividend of 12.5c and an extra dividend of 5c per stock unit to stockholders of record as of December 5, 1997, payable on January 2, 1998. This brings the total distribution for the year to 50c per share compared to 45 cents per share for the previous year, after adjustment for aforementioned 1 for 1 bonus share.

- ii. A transfer to the Reserve Fund of \$884,400,000.
- iii. A transfer of \$404,000,000 to the Retained Earnings Reserve.
- iv. Capitalization of \$731,808,000 from Retained Earnings Reserve as at July 31, 1997 by way of a 1 for 1 bonus issue of shares on October 6, 1997.

In view of the capital distributions paid and the dividends to be paid as mentioned above, the Directors do not recommend the declaration of a final dividend at the Annual General Meeting to be held on January 30, 1998.

Mrs. Lolita Gabriella Evans, the Hon. Mayer Michael Matalon and Mr. Malcolm Carlyle Johnston retire from the Board by rotation and all three being eligible offer themselves for re-election.

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 20 1997