

Bank of Nova Scotia Jamaica Limited 1998

DIRECTORS' 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, 1998.

The Consolidated Statement of Revenue and Expenses shows pre-tax profit for the year of \$2,577 million from which there has been provided \$813 million for corporate income tax, leaving a balance of \$1,764 million.

The appropriation of earnings detailed in the financial statements includes:

- i. An interim dividend of 12.5 cents and an extra dividend of 11.5 cents per stock unit to stockholders on record as of December 4, 1998, payable on January 4, 1999. This brings the total distribution for the year to 54 cents per stock unit compared with 50 cents per stock unit for the previous year, after adjustment for a 1 for 1 bonus share issue on October 6, 1997.
- ii. A transfer to the Reserve Fund of \$108,950,000.
- iii. A transfer of \$724,000,000 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 to be held on February 12, 1999.

Directors Bruce Birmingham, Orville Cox and Peter Godsoe retire by rotation pursuant to the Company's Articles of Association and being eligible offer themselves for re-election. Dr. Jean Dixon, Dr. Kenneth Hall, Dr. Herbert

Thompson and Mr. Norman Matthew who were appointed to the Board since the last Annual General Meeting will cease to hold office pursuant to Article 93 and being eligible offer themselves for election.

Mr. M.C. Johnston resigned from the Board on January 30, 1998 after eleven years of service, the last three of which he served as Chairman. Mr. Orville Walker also resigned from the Board since the last Annual General Meeting after thirty-seven years with the Bank, the last seventeen of which he also served as a Director. Mr. Robert H. Pitfield who was appointed to the Board since the last Annual General Meeting resigned from office during the year. The Board wishes to express its sincere appreciation to Messrs. Johnston, Walker and Pitfield for their loyal service and counsel, from which the Bank benefited and wish them success in their new endeavours.

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

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

On behalf of the Board

B.R. Birmingham
Chairman, Kingston, Jamaica
November 19, 1998
