

NATIONAL BANK OF DOMINICA LTD.

Summary Consolidated Financial Statements

June 30, 2018

(Expressed in Eastern Caribbean Dollars)



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INDEPENDENT AUDITORS' REPORT

To the Shareholders of National Bank of Dominica Ltd.

Report on the Audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at June 30, 2018, the summary consolidated statements of changes in equity, profit or loss, profit or loss and other comprehensive income and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of National Bank of Dominica Ltd. ("the Bank") for the year ended June 30, 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.



INDEPENDENT AUDITORS' REPORT, continued

To the Shareholders of National Bank of Dominica Ltd.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated January 31, 2019.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

A handwritten signature in black ink that reads 'KPMG'.

Chartered Accountants
February 15, 2019

Saint Lucia

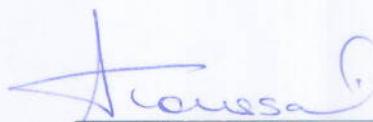
National Bank of Dominica Ltd.
 Summary Consolidated Statement of Financial Position
 As at June 30, 2018

(Expressed in Eastern Caribbean Dollars)

	2018	2017
	\$	\$
Assets		
Cash and balances with Central Bank	212,800,942	289,389,512
Treasury bills	36,882,462	41,830,371
Due from other banks	529,362,607	400,266,775
Deposits with non-bank financial institutions	2,295,935	1,915,227
Loans and advances	558,946,027	559,143,094
Investment securities	250,972,264	167,702,283
Other assets	25,265,940	19,035,318
Property and equipment	11,262,967	11,197,990
Intangible assets	144,779	186,194
Income tax recoverable	-	196,310
Total assets	<u>1,627,933,923</u>	<u>1,490,863,074</u>
Liabilities		
Deposits from customers	1,468,736,016	1,334,998,572
Other liabilities	37,409,658	39,062,824
Commercial paper	31,621,268	20,461,249
Current tax liabilities	296,229	-
Total liabilities	<u>1,538,063,171</u>	<u>1,394,522,645</u>
Equity		
Share capital	20,000,000	20,000,000
Statutory reserve	11,334,909	11,334,909
Loan loss reserve	9,000,000	9,000,000
Available-for-sale reserve	575,400	986,316
Retained earnings	48,960,443	55,019,204
Total equity	<u>89,870,752</u>	<u>96,340,429</u>
Total liabilities and equity	<u>1,627,933,923</u>	<u>1,490,863,074</u>



Ellingworth Edwards
 Managing Director



Linda Toussaint Peter
 Chief Financial Officer

National Bank of Dominica Ltd.

Summary Consolidated Statement of Changes in Equity

For the year ended June 30, 2018

(Expressed in Eastern Caribbean Dollars)

	Share capital	Statutory reserve	Available- for-sale reserve	Loan loss reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$
Balance at July 1, 2016	11,000,000	11,000,000	1,568,966	9,000,000	62,679,569	95,248,535
Total comprehensive income for the year						
Profit for the year	-	-	-	-	1,674,544	1,674,544
Allocation to statutory reserve	-	334,909	-	-	(334,909)	-
Change in fair value of available-for-sale investment securities	-	-	(582,650)	-	-	(582,650)
Bonus share issue	9,000,000	-	-	-	(9,000,000)	-
Total comprehensive income for the year	9,000,000	334,909	(582,650)	-	(7,660,365)	1,091,894
Balance at June 30, 2017	20,000,000	11,334,909	986,316	9,000,000	55,019,204	96,340,429
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(5,338,761)	(5,338,761)
Allocation to statutory reserve	-	-	-	-	-	-
Change in fair value of available-for-sale investment securities	-	-	(410,916)	-	-	(410,916)
Total comprehensive loss for the year	-	-	(410,916)	-	(5,338,761)	(5,749,677)
Dividend	-	-	-	-	(720,000)	(720,000)
Balance at June 30, 2018	20,000,000	11,334,909	575,400	9,000,000	48,960,443	89,870,752

National Bank of Dominica Ltd.

Summary Consolidated Statement of Profit or Loss

For the year ended June 30, 2018

(Expressed in Eastern Caribbean Dollars)

	2018	2017
	\$	\$
Interest income	50,468,019	46,890,424
Interest expense	(22,524,232)	(22,462,070)
Net interest income	27,943,787	24,428,354
Net foreign exchange trading income	10,133,111	7,692,199
Net commission and other income	7,261,970	6,953,546
Net interest, commission and other income	45,338,868	39,074,099
Net income from investment securities at fair value through profit or loss	1,603,517	5,469,503
Net impairment losses on loans and advances	(30,135,540)	(19,614,169)
Impairment recovery on investment securities	184,877	436,904
Operating expenses	(21,837,944)	(23,691,793)
(Loss)/profit before income tax	(4,846,222)	1,674,544
Income tax expense	(492,539)	-
(Loss)/profit for the year	(5,338,761)	1,674,544

National Bank of Dominica Ltd.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2018

(Expressed in Eastern Caribbean Dollars)

	2018	2017
	\$	\$
(Loss)/profit for the year	(5,338,761)	1,674,544
Other comprehensive income:		
<i>Items that are or may be subsequently reclassified to profit or loss:</i>		
Change in fair value of available-for-sale investment securities	<u>(410,916)</u>	<u>(582,650)</u>
Total comprehensive (loss)/income for the year	<u>(5,749,677)</u>	<u>1,091,894</u>
(Loss)/profit per share attributable to equity holders of the Bank		
Basic and diluted	<u>(0.22)</u>	<u>0.07</u>

National Bank of Dominica Ltd.

Summary Consolidated Statement of Cash Flows

For the year ended June 30, 2018

(Expressed in Eastern Caribbean Dollars)

	2018	2017
	\$	\$
Cash flows from operating activities		
(Loss)/profit for the year	(5,338,761)	1,674,544
Adjustments for:		
Depreciation and amortization	1,175,169	1,869,899
Gain on disposal of property and equipment	-	(155)
Interest income	(50,468,019)	(46,890,424)
Unrealized gain on investment securities at fair value through profit or loss	(1,603,518)	(5,469,503)
Interest expense	22,524,232	22,462,070
Tax expense	492,539	
Recovery on investment securities	(184,877)	(436,904)
Movement in provision for impairment of loans and advances	(30,135,540)	(19,614,169)
Cash flows before changes in operating assets and liabilities	(63,538,775)	(46,404,642)
Change in mandatory deposits with Central Bank	(7,938,221)	(19,449,415)
Change in loans and advances	38,546,988	72,839,023
Change in other assets	(6,230,622)	125,111
Change in deposits from customers and commercial paper	143,537,308	325,781,708
Change in other liabilities	(1,653,166)	(15,688,227)
Cash generated by operations	102,723,512	317,203,558
Interest received	42,253,638	41,164,766
Interest paid	(21,164,077)	(24,198,255)
Net cash generated by operating activities	123,813,073	334,170,069
Cash flows from investing activities		
Proceeds from maturity of treasury bills	11,452,305	2,903,336
Purchase of investment securities	(104,344,294)	(24,207,008)
Proceeds from disposal of investment securities	22,451,792	5,198,623
Purchase of property and equipment	(1,289,883)	(864,551)
Purchase of intangible assets	(20,388)	(145,517)
Proceeds from sale of property and equipment	111,540	155
Net cash used in investing activities	(71,638,928)	(17,114,962)
Cash flows from financing activities		
Dividends paid	(720,000)	-
Net cash used in financing activities	(720,000)	-
Net increase in cash and cash equivalents	51,454,145	317,055,107
Cash and cash equivalents – beginning of year	627,373,850	310,318,743
Cash and cash equivalents – end of year	678,827,995	627,373,850

National Bank of Dominica Ltd.

Notes to Summary Consolidated Financial Statements

For the year ended June 30, 2018

(Expressed in Eastern Caribbean Dollars)

1. Basis of preparation

These summary consolidated financial statements are derived from the audited consolidated financial statements of National Bank of Dominica Ltd. for the year ended June 30, 2018.