



KPMG
2nd Floor, ABI Financial Centre
156 Redcliffe Street
P.O. Box 1101
St. John's
Antigua
Telephone: 1 (268) 562-9172
Email: ecinfo@kpmg.ag

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, 2017, the summary consolidated statements of 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, 2017.

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.

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 February 20, 2018.

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."

Chartered Accountants
March 28, 2018

Antigua and Barbuda
National Bank of Dominica Ltd.

Summary Consolidated Statement of Financial Position

As at June 30, 2017

(Expressed in Eastern Caribbean Dollars)

	2017	2016
	\$	\$
Assets		
Cash and balances with Central Bank	289,389,512	123,836,775
Treasury bills	41,830,371	40,969,796
Due from other banks	400,266,775	209,903,446
Deposits with non-bank financial institutions	1,915,227	25,090,682
Loans and advances	559,143,094	606,642,290
Investment securities	167,702,283	139,827,214
Other assets	19,035,318	19,160,429
Property and equipment	11,197,990	9,467,386
Property held for sale	-	2,541,142
Intangible assets	186,194	235,487
Investment in equity-accounted investee	-	3,542,927
Income tax recoverable	196,310	196,310
Total assets	1,490,863,074	1,181,413,884
Liabilities		
Deposits from customers	1,334,998,572	1,011,565,282
Other liabilities	39,062,824	54,751,051
Commercial paper	20,461,249	19,849,016
Total liabilities	1,394,522,645	1,086,165,349
Equity		
Share capital	20,000,000	11,000,000
Statutory reserve	11,334,909	11,000,000
Loan loss reserve	9,000,000	9,000,000
Available-for-sale reserve	986,316	1,568,966
Retained earnings	55,019,204	62,679,569
Total equity	96,340,429	95,248,535
Total liabilities and equity	1,490,863,074	1,181,413,884

Ellingworth Edwards
Managing Director

Linda Toussaint Peter
Chief Financial Officer

National Bank of Dominica Ltd.

Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2017*(Expressed in Eastern Caribbean Dollars)*

	2017	2016
	\$	\$
Interest income	46,890,424	49,047,432
Interest expense	(22,462,070)	(22,683,066)
Net interest income	24,428,354	26,364,366
Net foreign exchange trading income	7,692,199	5,449,089
Net commission and other income	6,953,546	5,632,666
Net interest, commission and other income	39,074,099	37,446,121
Net income/(loss) from investment securities at fair value through profit or loss	5,469,503	(3,135,240)
Realized loss on disposal of investment securities	-	(124,129)
Investment written off	-	(416,720)
Net impairment losses on loans and advances	(19,614,169)	(7,767,006)
Impairment recovery/(loss) on investment securities	436,904	(7,026,940)
Operating expenses	(23,691,793)	(23,639,249)
Profit/(loss) before income tax	1,674,544	(4,663,163)
Income tax expense	-	-
Profit/(loss) for the year	1,674,544	(4,663,163)
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	(582,650)	(919,285)
Total comprehensive income/(loss) for the year	1,091,894	(5,582,448)
Profit/(loss) per share attributable to equity holders of the Bank		
Basic and diluted	0.07	(0.21)

National Bank of Dominica Ltd.

Summary Consolidated Statement of Cash Flows

For the year ended June 30, 2017*(Expressed in Eastern Caribbean Dollars)*

	2017	2016
	\$	\$
Cash flows from operating activities		
Profit/(loss) for the year	1,674,544	(4,663,163)
Adjustments for:		
Depreciation and amortization	1,869,899	2,271,392
Gain on disposal of property and equipment	(155)	(86,761)
Foreign exchange loss on investment securities	-	100,344
Interest income	(46,890,424)	(49,047,432)
Unrealized (gain)/loss on investment securities at fair value through profit or loss	(5,469,503)	3,135,239
Realized loss on disposal of investment securities	-	540,849
Interest expense	22,462,070	22,683,066
(Recovery)/impairment loss on investment securities	(436,904)	7,026,940
Movement in provision for impairment of loans and advances	(19,614,169)	7,767,006
Cash flows before changes in operating assets and liabilities	(46,404,642)	(10,272,520)
Change in mandatory deposits with Central Bank	(19,449,415)	(8,726,037)
Change in loans and advances	72,839,023	(36,679,362)
Change in other assets	125,111	(13,845,288)
Change in deposits from customers and commercial paper	325,781,708	126,589,662
Change in other liabilities	(15,688,227)	26,110,243
Cash generated by operations	317,203,558	83,176,698
Interest received	41,164,766	42,914,430
Interest paid	(24,198,255)	(23,357,267)
Net cash generated by operating activities	334,170,069	102,733,861
Cash flows from investing activities		
Proceeds from maturity of bonds	-	402,906
Proceeds from maturity of/(investment in) treasury bills	2,903,336	(4,051,236)
Purchase of investment securities	(24,207,008)	(25,607,200)
Proceeds from disposal of investment securities	5,198,623	28,683,141
Purchase of property and equipment	(864,551)	(849,974)
Purchase of intangible assets	(145,517)	(51,742)
Proceeds from sale of property and equipment	155	87,203
Net cash used in investing activities	(17,114,962)	(1,386,902)
Net increase in cash and cash equivalents	317,055,107	101,346,959
Cash and cash equivalents – beginning of year	310,318,743	208,971,784
Cash and cash equivalents – end of year	627,373,850	310,318,743