

EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION

ISSUER RE-REGISTRATION STATEMENT

Submission Date: **MAY 30, 2003**

ST KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD.

(Exact name of registrant as specified in its Articles of Incorporation)

ST CHRISTOPHER AND NEVIS

(State or other jurisdiction of incorporation)

CENTRAL STREET, BASSETERRE, ST KITTS

(Address of registered office)

Registrant's telephone number, including area code: (869) 465-2204

Financial year-end: *JUNE 30TH*

Contact person(s): *MR EDMUND W LAWRENCE*

MRS CLAUDINA DAVIS

Telephone Number (if different from above): ()

Date of the most recent Prospectus: *10TH OCTOBER 2001*

Type of securities that were offered: *ORDINARY SHARES (Common Stock)*

Is the offering still open? *Yes* *No*

Amount Subscribed: *43,575,000 Shares*

Date of Opening of Subscription List *10TH OCTOBER 2001*

Date of Closing of Subscription List *31ST DECEMBER 2001*

Price per security: *Shares were sold to current shareholders at \$1.00 per share and to new shareholders at \$1.35 per share.*

Total proceeds: \$ *47,452,825.00* (applicable for last offering. Provide expected proceeds for current offering.)

Was the offering: *Over-subscribed* *Under-subscribed*

Has the company applied for listing on the Eastern Caribbean Securities Exchange?

Yes *No*

This Company:

(Check appropriate boxes)

- Has never operated.
- Is in the development stage.
- Is currently operating.
- Has shown a profit in the last financial year.*

Countries where most recent offering was registered for offer and sale: *ST KITTS & NEVIS*

THE COMPANY

1. a) Provide a brief history of the registrant since its inception to the present time.

The Bank, which was incorporated on 15 February 1971, grew out of the St Kitts Industrial Bank Ltd and the First Bank of St Kitts Ltd becoming a full service commercial bank in that same year. Over the thirty-one years in operation, the Bank has grown from an asset base of \$440,372 to \$956,019,955.

The Bank started to trade on 13 September 1971 with one office. The Bank has significantly expanded its operations and now operates a network of seven offices. These offices include the Main Office at its Headquarters located at Central Street, Basseterre and branches in Nevis, Sandy Point, Saddlers and the Pelican Mall, Basseterre, each of which provides a full range of commercial banking services. The Bank also operates an agency office at the Robert Llewellyn Bradshaw International Airport and has opened a Card Center at the Pelican Mall to handle the needs of its customers who make use of the various card services.

- b) Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the registrant's business needs only include developments since the prospectus was prepared.

The Bank officially launched its NatBank International Visa Debit Card on December 21 2001. The card allows customers access to their funds from anywhere in the world, and facilitates cardholders in making purchases at over 19 million merchant locations worldwide. Plans are in the works to expand the Bank's already well established ATM Network with the addition of three (3) new ATM stations. The Bank will soon be launching an Online Banking Service that will allow customers to check account balances, view account activity; including deposits, withdrawals, electronic transactions etc.

- c) Describe the industry in which the registrant is selling its products or services and, where applicable, any recognised trends within that industry. Describe that part of the industry and the geographic area in which the business competes.

The retail banking industry in the Federation is comprised of six commercial banks, three credit unions and one finance company. The core products/services offered by the institutions include loans, foreign exchange services and deposit accounts.

The Bank conducts business throughout the Federation with branch offices at strategic locations on both islands. The Bank aims to increase its deposit base by providing convenient locations, competitive rates and high-quality personalized service to consumers and businesses throughout the Federation.

- d) Indicate whether competition is or is expected to be by price, service or other basis. Name the principal competitors that the company has or expects to have. Indicate the relative size and financial and market strengths of the company's competitors or its anticipated competitors. State why the company believes that it can effectively compete with these and other companies within the industry.

The Bank encounters strong competition in attracting retail and business deposits and loans. National Bank's most direct competition for deposits historically has been from Commercial Banks, Credit Unions, finance companies, and other financial intermediaries. Additionally, hire purchase companies that aggressively target traditional Bank customers have made the marketplace even more competitive.

The Bank competes for loans principally through the interest rates and loan fees it charges, the range of services offered, the efficiency and quality of the services it provides borrowers and the convenient locations of its branch offices. Competition for deposits is primarily based on interest rates offered, convenience of branch offices, and ease of business transactions.

- e) Indicate the extent to which the company's operations have depended or are expected to depend upon patents, copyrights, trade secrets, know-how or other proprietary information and the steps undertaken to secure and protect this intellectual property, including any use of confidentiality agreements, covenants-not-to-compete and the like.

NOT APPLICABLE

- f) If the company's business, products or properties have been subject to material regulation (including environmental regulation) indicate the nature and extent of regulation and its effect or potential effects upon the company.

The Bank is regulated under the laws and statutes of the Federation of St Christopher and Nevis. As a result, the growth and earnings performance of the Bank can be affected not only by management decisions and general economic conditions, but also by the regulations and the policies of our primary regulatory authority, the ECCB. The potential effect of the applicable regulations and regulatory policies can be significant.

Banking Act

The Bank is subject to the provisions of the Banking Act of St Kitts and Nevis No. 6 of 1991. This legislation outlines the regulatory and business framework within which banks can legally carry on business in the Federation.

Companies Act

The Bank is subject to the provisions of the Companies Act No. 22 of 1996. This legislation outlines the regulatory and business framework within which companies can legally carry on business in the Federation. The Companies Act provides for the formation of companies, the legal capacity and powers of companies, the management of companies, the financial disclosure of companies, corporate records, the issue of Prospectus and regulation of insider trading and the winding up of companies.

- g) State the names of any subsidiaries of the registrant, their business purposes and ownership, and indicate which are included in the Financial Statements attached hereto.

National Bank Trust Company (St Kitts-Nevis-Anguilla) Ltd is a wholly owned operating subsidiary of the Bank that provides long term mortgage financing, property management

services, real estate development and investment services to individuals, partnerships, corporations and institutions. National Bank Trust Company (St Kitts-Nevis-Anguilla) Ltd was established in 1972.

National Caribbean Insurance Company Limited, is a wholly owned subsidiary of the Trust Company was established in 1973 to provide life insurance, non-life insurance and pension schemes.

The St. Kitts and Nevis Mortgage and Investment Company Limited, a wholly owned subsidiary of the Bank, was incorporated on May 25, 2001 under the Companies Act No. 22 of 1996 to act as the Real Estate arm of the Bank by providing a secondary market for properties repossessed from the Bank's customers, and to provide investment opportunities for Nationals.

Furthermore, the Bank has invested in the financial services sector primarily through shareholdings in the Caribbean Credit Card Corporation, the Eastern Caribbean Home Mortgage Bank Ltd and two regional indigenous banks.

- h) State whether the registrant is a subsidiary, the business of the parent and the percentage ownership.

NOT APPLICABLE

- i) Summarise the material events in the development of the Company including any material acquisitions or mergers during the past five years.

NONE

RISK FACTORS

2. List in the order of importance the factors, which the registrant considers to be the most substantial risks to an investor (i.e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or not provide an adequate return).

Credit Risks

Market Risks

Economic Risks

Operational Risk

Currency exchange risk

Suitability

Political Risk

Natural disasters

Initiatives to combat Financial Crimes

OFFERING FACTORS

3. State the dates on which the company made an offering of securities since the issue of the first prospectus, the amount of securities sold, the number of persons to whom they were sold, any relationship of such persons to the company at the time of sale, the price at which they were sold and, if not sold for cash, a concise description of the consideration.

YEAR	# OF SHARES SOLD	# OF PERSONS	RELATIONSHIP	PRICE	CONSIDERATION
1971	400,000			\$1.00	
1986	2.5 million			\$1.25 & \$1.75	
1994 (Bonus Issue)	1.5 million*			Not Applicable	
1997 (Bonus Issue)	4.5 million*			Not Applicable	
2001 (Bonus Issue)	36 million *			Not Applicable	
2001	36 million	2,001		\$1.00 & \$1.35	

* No shares were sold. Existing shareholders were awarded bonus shares.

USE OF PROCEEDS (applicable if offering was made within the last five years)

4. In the table set forth below, please outline the use of the proceeds from the most recent offering made:

	If Minimum		If Max	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Total Proceeds	\$ <u>47,452,825</u>	100%	\$ _____	100%
Less: Offering Expenses				
Commissions and Finders Fees	<u>-</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Printing	<u>45,000.00</u>	<u>.1</u>	<u>_____</u>	<u>_____</u>
Advertising	<u>38,723.74</u>	<u>.1</u>	<u>_____</u>	<u>_____</u>
Other : Postage	<u>6,500.00</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Net Proceeds from Offering	<u>47,362,601.26</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Use of Net Proceeds	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
Total Use of Net Proceeds	<u>_____</u>	<u>100%</u>	<u>_____</u>	<u>100%</u>

- a) If any material part of the proceeds was used to discharge indebtedness, describe the terms of such indebtedness, including interest rates.

NOT APPLICABLE

- b) If any amount of the proceeds were used to acquire assets, other than in the ordinary course of business, briefly describe and state the cost of the assets and other material terms of acquisitions.

NOT APPLICABLE

- c) If any amount of the proceeds were used to reimburse any officer, director, employee or stockholder for services rendered, assets previously transferred, monies loaned or advanced or otherwise, explain:

NOT APPLICABLE

- d) Indicate whether the company is having or anticipates having within the next 12 months, any cash flow or liquidity problems and whether or not it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments.

The Bank does not foresee any cash flow or liquidity related difficulties. The Bank has a sound liquidity management strategy in place.

CAPITALIZATION

- 1) Indicate the capitalisation of the company as of the most recent balance sheet date adjusted to reflect any subsequent stock splits, stock dividends, recapitalisations or refinancings:

	Amount Outstanding		<u>Particulars</u>
	As of: 30/06/02 <u>(Date)</u>	As of: 31/12/02 <u>As Adjusted</u>	
Debt:			
Short-term debt (average interest rate _____%)	\$ _____	\$ _____	_____
Long-term debt (average interest rate _____%)	\$ _____	\$ _____	_____
Total debt	\$ _____	\$ _____	_____
Stockholders equity (deficit):			
Preferred stock - par or stated value (by class of preferred in order of preferences)	\$ _____	\$ _____	_____
	\$ _____	\$ _____	_____
Reserves	\$ 40,000,000	\$ 40,000,000	_____
Common stock--par or stated value	\$ 81,000,000	\$ 81,000,000	_____
Additional paid in capital	\$ 3,877,424	\$ 3,877,424	_____
Retained earnings (deficit)	\$ 2,775,735	\$ 2,775,735	_____
Total stockholders equity (deficit)	\$127,653,159	\$ 127,653,159	_____
Total Capitalisation	\$ 127,653,159	\$ 127,653,159	

Securities (by class)	Amount Authorised	Amount Issued	Paid up	Nominal Value	Rights Attaching ¹
Ordinary Shares	135,000,000	81,000,000	81,000,000	\$1.00	

(2) Capital Commitments and Contingent Liabilities

<i>Letters of Credit</i>	96,616.00
<i>Letter of Guarantee & Acceptances</i>	<u>4,096,565.00</u>
	<u>4,193,181.00</u>

DIVIDEND POLICY

3) If the Company has within the last five years paid dividends, explain how much and when:

The Bank's schedule of dividend payments over the last five years is as follows:-

2002 – 13.50 **2001** - 30% **2000** - 30% **1999** - 22.5% **1998** - 20%

4) Does the company expect to pay dividends over the next two years?

Yes

A. EXECUTIVE OFFICERS

Position: *MANAGING DIRECTOR*

Name: **EDMUND W LAWRENCE**

Age: 71

Mailing Address: *PO BOX 865, NORTH PELICAN DRIVE*

BIRD ROCK, BASSETERRE

ST KITTS

Telephone No.: (869) 465-8640

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>St Kitts-Nevis-Anguilla National Bank Ltd.</i>	<i>Managing Director</i>	<i>Manage and direct all aspects of operations of St Kitts-Nevis-Anguilla National Bank Group of Companies.</i>

¹In considering the rights indicate the following: cumulative voting rights; other special voting rights; preemptive rights to purchase in new issues of shares; preference as to dividends and interest; convertibility; preference upon liquidation or any other special rights or preferences.

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>University of London</i>	<i>B.Sc. Economics</i>	<i>1966</i>

Also a Director of the Company Yes No

Indicate amount of time to be spent on Company matters if less than full time: _____

Position :- *SENIOR MANAGER*
EMPLOYEE & SHAREHOLDER
AFFAIRS

Name: *CLAUDINA V DAVIS*

Age: *61*

Mailing Address: *EARLE MORNES*

ST KITTS

Telephone No.: *(869) 465-5151*

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>St Kitts-Nevis-Anguilla National Bank Ltd.</i>	<i>Senior Manager – Employee & Shareholder Affairs</i>	<i>Manage all operations pertaining to personnel and shareholders</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>Barbados Community College</i>	<i>Paralegal Certificate</i>	<i>1988</i>

Also a Director of the Company Yes No

Indicate amount of time to be spent on Company matters if less than full time: _____

B. DIRECTORS OF THE COMPANY

Information concerning non Executive Directors:

Name: *RUBLIN VAUDAIN*

Title : *CHAIRPERSON*

Age: *49*

Mailing Address: *PO BOX 501, TAYLOR'S RANGE*
 BASSETERRE
 ST KITTS

Telephone No.: *(869) 465-2431*

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>Audain & Associates</i>	<i>Accountant</i>	<ol style="list-style-type: none"> <i>1) Supervise all aspects of accounting & auditing services provided to clients</i> <i>2) Manage all aspects of the day-to-day operations of Audain & Associates accounting firm.</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>St Mary's University</i>	<i>Bachelor of Commerce</i>	<i>1979</i>

Name: **MITCHELL G GUMBS**Title : *1st VICE CHAIRMAN*

Age: 48

Mailing Address: *PO BOX 1408, MATTINGLEY HEIGHTS*
BASSETERRE
ST KITTS

Telephone No.: (869) 465-4227

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>Trade & Development Corporation (TDC)</i>	<i>Manager</i>	<i>Manage all aspects of the day-to-day operations of TDC Building Materials.</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>Purdue University</i>	<i>Certificate in Pubic Retailing</i>	<i>1993</i>

Name: **LIONEL A BERRIDGE**Title : *2nd VICE CHAIRMAN*

Age: 58

Mailing Address: *PO BOX 546, BIRD ROCK*
BASSETERRE
ST KITTS

Telephone No.: (869) 465-8228

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>Travel World (St Kitts) Ltd.</i>	<i>Business Executive</i>	<i>Manage all aspects of the day-to-day operations of Travel World travel agency.</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
British Airways Training School	Travel Consultant Certificate	1973
Basseterre High School	High School Certificate	1963

Name: ***E ELROY CHRISTOPHER***

Title : ***MEMBER***

Age: ***54***

Mailing Address: ***PO BOX 48, VICTORIA ROAD
BASSETERRE
ST KITTS***

Telephone No.: ***(869) 465-2402***

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>Moravian Church</i>	<i>Superintendent</i>	<i>Priest – Overseeing the work of the church in St Kitts.</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>United Theological College of the West Indies</i>	<i>Diploma – Ministerial Studies</i>	<i>1983</i>

Name: **WALFORD V GUMBS**

Title : *MEMBER*

Age: 56

Mailing Address: *SUNCREST HOUSING
BASSETERRE
ST KITTS*

Telephone No.: (869) 465-8320

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position(s)</i>	<i>Responsibilities</i>
<i>St Kitts Nevis Trades and labour Union</i>	<i>Executive</i>	<i>Manage all aspects of the day-to-day operations of the St Kitts Nevis Trades and Labour Union.</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>I.L.O. International Center for Technical & Vocational Training</i>	<i>Diploma –Labour Relations</i>	<i>1979</i>

Name: **E VALENTINE MORRIS**

Title : *MEMBER*

Age: 68

Mailing Address: *SHADWELL HEIGHTS
BASSETERRE
ST KITTS*

Telephone No.: (869) 465-8628

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Mr Morris has been retired during the period in question. Prior to retirement, he was employed as a Prison Superintendent.

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>Wakefield Prison Officers Staff College</i>	<i>Certificate – Public Administration</i>	<i>1975</i>

Name: ***THERESA RICHARDSON***

Title : *MEMBER*

Age: *70*

Mailing Address: *PO BOX 445
BIRD ROCK, BASSETERRE
ST KITTS*

Telephone No.: *(869) 465-8528*

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Ms Richardson has been retired during the period in question. Prior to retirement, she was employed as a School Principal.

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
<i>Cambridge</i>	<i>7 O'Levels</i>	<i>1958</i>
<i>St Kitts Teacher's Training College</i>	<i>Trained Teacher Certificate</i>	<i>1969</i>

Name: **CLYTIE A SOUTHWELL**

Title : **MEMBER**

Age: **49**

Mailing Address: **FORTLANDS
BASSETERRE
ST KITTS**

Telephone No.: **(869) 465-2363**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

Employer	Position	Responsibilities
<i>Travel World (St Kitts) Ltd</i>	<i>Executive</i>	1) <i>Provide all aspects of travel consultant services to clients.</i> 2) <i>Administrative duties</i>

Education (degrees, schools, and dates):

Institution	Degree/Qualification	Year Qualification was awarded
<i>Basseterre High School</i>	<i>High School Certificate</i>	<i>1971</i>

Name: **YVONNE MERCHANT-CHARLES**

Title : **MEMBER**

Age: **51**

Mailing Address: **SOUTH PELICAN DRIVE
BIRD ROCK
BASSETERRE
ST KITTS**

Telephone No.: **(869) 466-3236**

Name of employers, titles and dates of positions held during past five years with an indication of job responsibilities.

<i>Employer</i>	<i>Position</i>	<i>Responsibilities</i>
<i>Government of St Kitts and Nevis</i>	<i>Accountant General</i>	<i>Person in-charge of all Treasury Functions of the Government of St. Kitts and Nevis</i>

Education (degrees, schools, and dates):

<i>Institution</i>	<i>Degree/Qualification</i>	<i>Year Qualification was awarded</i>
	<i>Certificate in Public Accounting and Auditing</i>	

Number of Directors: Ten (10)

If Directors are not elected annually, or are elected under a voting trust or other arrangement, explain:

The Bank's Articles of Association provide that at every Annual General Meeting one third of the Directors shall retire by rotation. Retiring Directors shall be eligible for re-election. Nominations for election to the Board must be submitted by a prescribed date. Directors are elected at the Bank's Annual General meeting.

(a) Discuss Articles of Association relevant to Directors

- 1. A Director shall require a share qualification of 100 shares.*
- 2. A Director is disqualified if he is concerned in or participates in the profits of any contract with the Bank without declaring his interest at a meeting of the Directors, and he shall not vote on any question relating to such contract.*
- 3. The Directors may exercise all the powers of the Bank to borrow money.*
- 4. The remuneration of a Managing Director for his services as such shall be determined by the Board.*
- 5. No member shall be entitled to vote unless all calls or other sums currently payable by him in respect of his shares in the Bank have been paid.*
- 6. The Directors may be paid for their services such sums as maybe determined by the Bank in General Meeting.*
- 7. The Directors may be paid special remuneration for undertaking work additional to that usually required of the Directors of the Bank.*
- 8. The Bank must have no less than five (5) Directors and not more than ten (10).*

PRINCIPAL STOCKHOLDERS

7. (a) Principal owners of the Company (those who beneficially own directly or indirectly 5% or more of the common and preferred stock presently outstanding) starting with the largest common stockholder. Indicate by endnote if the price paid was for a consideration other than cash and the nature of any such consideration.

SHARES NOW HELD:

Name: Address:	Class of Shares:	No. of Shares:	% of Total
Government of St Kitts & Nevis Church Street, Basseterre St Kitts	Ordinary Shares	41,310,000	51.00
Caribbean Commercial Bank (Anguilla Ltd) PO Box 23, The Valley Anguilla	Ordinary Shares	5,400,000	6.67
Social Security Board (St Kitts & Nevis) Bay Road, Basseterre St Kitts	Ordinary Shares	4,715,254	5.82

- (b) Include all common stock issuable upon conversion of convertible securities and show conversion rate per share as if conversion has occurred.

NOT APPLICABLE

SUBMISSION OF MATTERS TO A VOTE OF SHARE HOLDERS

If any matter was submitted during the past year (or is likely to be put forward in the next six months) to a vote of share holders, through the solicitation of proxies or otherwise, furnish the following information:

The date of the meeting and whether it was an annual or special meeting.

January 30th 2003 – Annual General Meeting

January 30th 2003 - Extraordinary Meeting

If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

The retiring Directors by rotation in 2002 were Mr Mitchell Gumbs, Mr Lionel Berridge, and Mr Valentine Morris. Each retiring Director, being eligible for re-election, was nominated for re-election and subsequently re-elected.

The names of the Directors whose terms of office continued after the meeting are as follows: -

Rublin Audain; Clytie A Southwell; Theresa Richardson; Walford V Gumbs; Elroy Christopher; Edmund W Lawrence, and Yvonne Merchant-Charles.

FINANCIAL STATEMENTS

8. Attach Auditor's Report. Attach audited financial statements for the last financial year or most recent unaudited financial statement if next audited statement is less than six months away or the most recent unaudited quarterly statement if the next audited statement is more than six months away. If since the beginning of the last financial year the company has acquired another business the assets or net income of which were in excess of 20% of those for the company, show pro forma combined financial statements as if the acquisition had occurred at the beginning of the company's last financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CERTAIN RELEVANT FACTORS

- 1) If the registrant's financial statements show losses from operations, explain the causes underlying these losses and what steps the company has taken or is taking to address these causes.

NOT APPLICABLE

- 2) Describe any trends in the company's historical operating results. Indicate any changes now occurring in the underlying economics of the industry or the company's business, which, in the opinion of Management, will have a significant impact (either favourable or adverse) upon the company's results of operations within the next 12 months. Give a rough estimate of the probable extent of the impact, if possible.

An analysis of the financial statements of the Bank over the last eleven (11) years and in particular between the period 1995 and 2002 will show that the Bank is an institution that is growing at a steady pace. The Bank has attained consistent growth in Loans, Deposits, Total Assets, Capital and Earnings over the last eleven (11) years.

In recent times, the local financial marketplace has become more competitive, as a number of non-bank financial institutions have begun offering services that were previously only offered by Banks. Additionally, the range of financial services available to consumers has improved dramatically. National Bank has consistently been at the forefront in the offering of new services to its customers, and this has enabled the Bank to maintain its share of the financial services market. The Bank continues to lead the ECCB region in the growth of assets, deposits, loans, and profit. The Bank has grown from being the smallest bank in the sub-region at its inception in 1971 to being the largest bank today. This growth trend is expected to continue during the coming financial year.

However, the terrorist attacks in the United States in September 2001, have impacted the global financial services industry profoundly. In this new environment, Bank personnel will have to be even more diligent in their attempt to prevent the Bank from being used to facilitate money laundering, terrorist funding and other criminal activities.

LITIGATION

9. Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the registrant's business, financial condition, or operations, including any litigation or action involving the registrant's Officers, Directors or other key personnel. State the names of the principal parties, the nature and current status of the matters, and amounts involved. Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings or litigation and the potential impact on the registrant's business, financial condition, or operations.

HIGH COURT SUIT SKBHCV2002/0015 CARIBBEAN 6/49 LIMITED v. ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

The Claimant claims the sum of US\$1,865,850.57 plus interest against the Bank for breach of contract. The Bank contends that there was no breach of contract and has counterclaimed the sum of US\$122,603.58 from the Claimant. Though the matter continues to exist within the Court system, the Claimant is at this time attempting to settle the matter with the Bank.

It is our belief that should the matter be adjudicated on, it is more likely than not that the Bank would be successful. Our opinion is based on the documentation produced by the Bank and its agents that appear to show that the Bank does not hold any monies for or on behalf of the Claimant.

SKBHCV2002/0250 BERNADETTE LIDDIE and BERNARD LIDDIE v. ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

The Claimants claimed the return of their Certificate of Title free and clear of all encumbrances from the Bank. The Bank counterclaimed the sum of EC\$6000.00 being money had and received by the Claimants to their benefit. This matter was heard in April 2003 and disposed of in favour of the Bank. However, the Claimants' Solicitors have indicated the Claimants intention to appeal the matter.

We believe that should this matter go to Appeal as intended there is a 50/50 chance that the Bank would be successful.

MISCELLANEOUS FACTORS

10. Describe any other material factors, either adverse or favourable, that will or could affect the registrant or its business (for example, discuss any defaults under major contracts, any breach of by-law provisions, etc.) or which are necessary to make any other information in this Disclosure Document not misleading or incomplete.

There are no miscellaneous factors of a material nature that are necessary to make any other information in this Disclosure Document not misleading or incomplete.

SIGNATURES:

A Director, the Chief Executive and Financial Officers of the Company shall sign this Disclosure Document on behalf of the Company and by so doing thereby certify that each has made diligent efforts to verify the material accuracy and completeness of the information herein contained. By signing this Disclosure Document, the Board of Directors, Chief Executive and Chief Financial Officers agree to make themselves, the Company's books and records, copies of any contract, lease or other document referred to in the Disclosure Document, or any other material contract or lease (including stock options and employee benefit plans), except any proprietary or confidential portions thereof, and a set of the exhibits to this Disclosure Document, available to each investor prior to the time of investment, and to respond to questions and otherwise confirm the information contained herein prior to the making of any investment by such investor.

The Chief Financial Officer signing this form is hereby certifying that the financial statements submitted fairly state the Company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated, all in accordance with generally accepted accounting principles consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Name of Director:

EDMUND W LAWRENCE

RUBLIN V AUDAIN

Signature

Signature

Date

Date

Name of Chief Financial Officer:

WINSTON L HUTCHINSON

Signature

Date
