

**ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE THIRD QUARTER ENDED**

**MARCH 31, 2013**

**SKNA National Bank Ltd. Comptroller Division**

# **ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED**

## **UNAUDITED FINANCIAL STATEMENTS** **FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

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## BALANCE SHEET AS AT MARCH 31, 2013

<b>Assets</b>	<b>Notes</b>	<b>Unaudited Quarter Ended March 2013 \$</b>	<b>Unaudited Year Ended June 2012 \$</b>
Cash and balances with Central Bank	6	335,605,953	254,463,332
Treasury Bills	7	128,464,309	95,638,074
Deposits with other financial Institutions	8	585,419,501	417,251,179
Loans and Advances - customers	9	1,197,289,824	1,213,959,211
- originated debts	10	91,900,460	69,978,837
Investments - available for sale	11	394,468,995	381,696,935
Investment in Subsidiaries	12	26,750,000	26,750,000
Customers' Liability under Acceptances, Guarantees, and Letters of Credit (per contra)	13	4,482,885	4,095,350
Income tax recoverable		6,004,006	6,004,006
Property, Plant and Equipment	14	22,803,608	23,270,558
Intangible Assets	15	1,001,451	1,720,565
Other Assets	16	21,102,510	19,434,665
Deferred Tax Asset	20	6,571,993	11,347,887
<b>Total Assets</b>		<b>2,821,865,495</b>	<b>2,525,610,599</b>
<b>Liabilities</b>			
Due to Customers	17	2,122,207,975	1,853,775,084
Due to other financial institutions		13,682,662	424,554
Other borrowed funds	18	214,038,377	215,697,437
Acceptances, Guarantees and Letters of Credit (per contra)		4,482,885	4,095,350
Deferred Income			
Accumulated Provisions, Creditors, and Accruals	19	47,205,238	39,542,971
Deferred Tax Liability			
<b>Total Liabilities</b>		<b>2,401,617,137</b>	<b>2,113,535,396</b>
<b>Shareholders' Equity</b>			
Issued Share Capital	21	135,000,000	135,000,000
Share Premium		3,877,424	3,877,424
Retained Earnings		11,656,397	12,352,758
Other Reserves	22	269,714,537	260,845,021
<b>Total Shareholders' Equity</b>		<b>420,248,358</b>	<b>412,075,203</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,821,865,495</b>	<b>2,525,610,599</b>

## Statement of Income for the period ended March 31, 2013

Unaudited Year Ended June 2012 \$		Unaudited Quarter Ended March 2013 \$	Unaudited Quarter Ended March 2012 \$
<b>INCOME</b>			
106,653,639	Interest income	78,205,472	82,779,878
(89,697,581)	Interest expense	(70,386,061)	(66,381,014)
<b>16,956,058</b>	<b>Net interest income</b>	<b>7,819,411</b>	<b>16,398,864</b>
7,320,125	Fees and commission income	7,354,520	6,313,598
(3,164,222)	Fee expense	(2,625,673)	(2,351,788)
<b>4,155,903</b>	<b>Net fees and commission income</b>	<b>4,728,847</b>	<b>3,961,810</b>
1,244,605	Dividend income	1,725,607	897,393
112,424,414	Net gains less (losses) from investments	9,644,292	26,404,265
3,663,428	Gain on foreign exchange	3,154,088	2,699,854
264,688	Other operating income	80,301	170,177
<b>117,597,135</b>	<b>Other Income/(losses)</b>	<b>14,604,288</b>	<b>30,171,689</b>
<b>138,709,096</b>	<b>Operating Income</b>	<b>27,152,546</b>	<b>50,532,363</b>
<b>Operating expenses</b>			
24,904,740	Administration and general expenses	16,914,346	16,000,453
409,401	Directors fees and expenses	319,782	249,862
410,723	Audit fees and expenses	-	289,114
3,307,852	Depreciation & amortisation	2,514,780	2,163,222
1,859,106	Provision for impaired investments	-	-
47,391,925	Provision for impaired originated debts	-	-
51,362,957	Provision for impaired receivables	-	-
<b>129,646,704</b>	<b>Total operating expenses</b>	<b>19,748,908</b>	<b>18,702,651</b>
<b>9,062,392</b>	<b>Operating income before tax</b>	<b>7,403,638</b>	<b>31,829,712</b>
216,611	Income tax expense	-	-
<b>9,279,003</b>	<b>Net income for the year</b>	<b>7,403,638</b>	<b>31,829,712</b>
<b>0.07</b>	<b>Earnings per share</b>		

## ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

### Statement of Comprehensive Income for the period ended March 31, 2013

Notes

<b>Unaudited Year Ended June 2012</b> \$		<b>Unaudited Quarter Ended March 2013</b> \$	<b>Unaudited Quarter Ended March 2012</b> \$
<b><u>9,279,003</u></b>	<b>Net Income for the period</b>	<b><u>7,403,638</u></b>	<b><u>31,829,712</u></b>
	<b>Other Comprehensive Income:</b>		
	Available-for-sale financial assets:		
(1,728,536)	Unrealised gains/(losses) on investment securities, net of tax	7,655,701	7,518,099
<u>(68,060,547)</u>	Less: Reclassification adjustments for gains/(losses) included in income	<u>1,213,816</u>	<u>(68,705,095)</u>
<b><u>(69,789,083)</u></b>	<b>Total other comprehensive Income/(loss)</b>	<b><u>8,869,517</u></b>	<b><u>(61,186,996)</u></b>
<b><u>(60,510,080)</u></b>	<b>Total Comprehensive Income/(Loss) for the period</b>	<b><u>16,273,155</u></b>	<b><u>(29,357,284)</u></b>

**STATEMENT OF CHANGES IN EQUITY**  
For The Quarter Ended March 31, 2013

Notes	Share Capital \$	Share Premium \$	Statutory Reserves \$	Other Reserves \$	Investment Reserves \$	Property Revaluation Reserves \$	Retained Earnings \$	Total Shareholders' Equity \$
<b>Balance at June 30, 2011</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>96,610,790</b>	<b>174,653,586</b>	<b>49,793,306</b>	<b>7,720,621</b>	<b>35,979,556</b>	<b>503,635,283</b>
Total Comprehensive Income for the year	-	-	-	-	(69,789,083)	-	9,279,003	(60,510,080)
Transfer to Reserves	22	-	1,855,801	-	-	-	(1,855,801)	-
Dividends	27	-	-	-	-	-	(31,050,000)	(31,050,000)
<b>Balance at June 30, 2012</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>98,466,591</b>	<b>174,653,586</b>	<b>(19,995,777)</b>	<b>7,720,621</b>	<b>12,352,758</b>	<b>412,075,203</b>
Total Comprehensive Income For The Quarter	-	-	-	-	8,869,517	-	7,403,638	16,273,155
Dividends	-	-	-	-	-	-	(8,100,000)	(8,100,000)
<b>Balance at March 31, 2013</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>98,466,591</b>	<b>174,653,586</b>	<b>(11,126,260)</b>	<b>7,720,621</b>	<b>11,656,396</b>	<b>420,248,358</b>

**ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD.**  
**STATEMENT OF CASHFLOW**  
**FOR THE PERIOD ENDED MARCH 31, 2013**

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	Notes	Unaudited Quarter Ended March 2013 \$	Unaudited Year Ended June 2012 \$
<b>Cash flows from operating activities</b>			
Operating Income before taxation		7,403,638	9,062,392
Adjustments for:			
Interest Income		(78,205,472)	(106,653,639)
Interest Expense		70,386,061	89,697,581
Depreciation and amortisation		2,514,780	3,307,852
Provision for credit/investment/other impairment, net			100,613,453
Gain on disposal of premises and equipment			(50,953)
Operating income before changes in operating assets and liabilities		<b>2,099,007</b>	<b>95,976,686</b>
<i>(Increase) decrease in operating assets:</i>			
Loans and advances to customers		19,200,410	636,415
Mandatory deposits with Central Bank		(18,839,508)	(12,178,007)
Other accounts		(1,667,845)	(1,311,344)
<i>Increase (decrease) in operating liabilities:</i>			
Customers' deposits		258,985,999	182,737,358
Due to other financial institutions		13,258,108	(6,474,427)
Accumulated provisions, creditors, and accruals		8,370,630	(1,122,227)
<b>Cash generated from/(used in) operations</b>		<b>281,406,801</b>	<b>258,264,454</b>
Interest received		67,164,715	107,277,483
Interest paid		(59,810,043)	(87,766,741)
<b>Net cash generated from/(used in) operating activities</b>		<b>288,761,473</b>	<b>277,775,196</b>
<b>Cash flows from investing activities</b>			
(Increase)/Decrease in equipment and intangible assets		(1,328,716)	(1,616,401)
Proceeds from disposal of equipment			127,150
(Increase)/Decrease in special term deposits		(16,010,793)	(6,330,840)
(Increase)/Decrease in restricted term deposits and T/Bills		(26,976,784)	4,024,511
Proceeds from disposal of investment securities		506,021,704	698,859,081
Purchase of investment securities		(523,146,365)	(834,152,597)
<b>Net cash generated from/(used in) investing activities</b>		<b>(61,440,954)</b>	<b>(139,089,096)</b>
<b>Cash flows from financing activities</b>			
Other Borrowed Funds		(3,496,548)	(14,799,646)
Dividend paid		(8,100,000)	(31,050,000)
<b>Net cash generated from/(used in) financing activities</b>		<b>(11,596,548)</b>	<b>(45,849,646)</b>
<b>Net Increase (Decrease) in cash and cash equivalents</b>		<b>215,723,971</b>	<b>92,836,454</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>345,998,836</b>	<b>253,162,382</b>
<b>Cash and cash equivalents at end of period</b>	30	<b>561,722,807</b>	<b>345,998,836</b>
<b>Represented by:</b>			
Cash in hand		11,563,471	10,244,706
Operating cash balances		319,169,652	171,005,976
Items in course of collection		13,887,183	8,630,001
Term deposits		16,905,354	16,905,354
Deposits with ECCB other than mandatory deposits		200,197,147	139,212,799
		<b>561,722,807</b>	<b>345,998,836</b>