

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

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE SECOND QUARTER ENDED**

**DECEMBER 31, 2013**

**SKNA National Bank Ltd. Comptroller Division**

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

## **UNAUDITED FINANCIAL STATEMENTS** **FOR THE SECOND QUARTER ENDED DECEMBER 31, 2013**

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## BALANCE SHEET AS AT DECEMBER 31, 2013

<b>Assets</b>	<b>Notes</b>	<b>Unaudited Quarter Ended Dec 2013 \$</b>	<b>Restated Audited Year Ended June 2013 \$</b>
Cash and balances with Central Bank	6	315,208,320	355,571,349
Treasury Bills	7	151,963,620	134,145,387
Deposits with other financial Institutions	8	696,644,501	525,507,809
Loans and Advances - customers	9	646,378,200	1,191,073,260
- originated debts	10	89,907,078	88,615,644
Land Inventory		574,931,536	-
Investments - available for sale	11	470,729,142	428,270,511
Investment in Subsidiaries	13	26,750,000	26,750,000
Customers' Liability under Acceptances, Guarantees, and Letters of Credit (per contra)	14	4,482,885	4,482,885
Income tax recoverable		6,004,006	6,004,006
Property, Plant and Equipment	15	21,500,093	22,171,639
Intangible Assets	16	452,532	803,964
Other Assets	17	24,799,446	26,285,952
Deferred Tax Asset	21	16,895,258	23,918,702
<b>Total Assets</b>		<b>3,046,646,617</b>	<b>2,833,601,108</b>
<b>Liabilities</b>			
Due to Customers	18	2,470,684,548	2,210,464,801
Due to other financial institutions		9,671,329	2,505,944
Other borrowed funds	19	83,280,864	145,580,180
Acceptances, Guarantees and Letters of Credit (per contra)		4,482,885	4,482,885
Deferred Income			
Accumulated Provisions, Creditors, and Accruals	20	52,120,509	58,868,718
<b>Total Liabilities</b>		<b>2,620,240,135</b>	<b>2,421,902,528</b>
<b>Shareholders' Equity</b>			
Issued Share Capital	22	135,000,000	135,000,000
Share Premium		3,877,424	3,877,424
Retained Earnings		1,005,207	11,805,206
Other Reserves	23	286,523,851	261,015,950
<b>Total Shareholders' Equity</b>		<b>426,406,482</b>	<b>411,698,580</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>3,046,646,617</b>	<b>2,833,601,108</b>

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

Audited Year Ended June 2013 \$		Unaudited Quarter Ended Dec 2013 \$	Unaudited Quarter Ended Dec 2012 \$
<b>INCOME</b>			
99,233,158	Interest income	47,198,978	52,216,224
(92,907,409)	Interest expense	(44,459,223)	(46,989,771)
<b>6,325,749</b>	<b>Net interest income</b>	<b>2,739,755</b>	<b>5,226,453</b>
9,924,352	Fees and commission income	5,730,359	5,342,812
(3,984,992)	Fee expense	(2,192,828)	(1,445,014)
<b>5,939,360</b>	<b>Net fees and commission income</b>	<b>3,537,531</b>	<b>3,897,798</b>
2,864,683	Dividend income	1,165,678	1,337,089
16,213,992	Net gains less (losses) from investments	14,272,740	5,018,273
4,522,412	Gain on foreign exchange	2,972,700	2,091,408
97,878	Other operating income	68,263	43,104
<b>23,698,965</b>	<b>Other Income/(losses)</b>	<b>18,479,381</b>	<b>8,489,874</b>
<b>35,964,074</b>	<b>Operating Income</b>	<b>24,756,667</b>	<b>17,614,125</b>
<b>Operating expenses</b>			
24,921,133	Administration and general expenses	11,639,190	11,336,245
398,408	Directors fees and expenses	192,776	245,307
540,412	Audit fees and expenses		
3,111,368	Depreciation & amortisation	1,676,520	1,676,520
-	Provision for impaired investments	-	-
-	Provision for impaired originated debts	-	-
-	Provision for impaired receivables	-	-
<b>28,971,321</b>	<b>Total operating expenses</b>	<b>13,508,486</b>	<b>13,258,072</b>
<b>6,992,753</b>	<b>Operating income before tax</b>	<b>11,248,181</b>	<b>4,356,053</b>
11,729,057	Income tax expense		
<b>18,721,810</b>	<b>Net income for the year</b>	<b>11,248,181</b>	<b>4,356,053</b>
<b>0.14</b>	<b>Earnings per share</b>		

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

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

Restated Audited Year Ended June 2013 \$	Notes	Unaudited Quarter Ended Dec 2013 \$	Unaudited Quarter Ended Dec 2012 \$
<b>18,721,810</b>	<b>Net Income for the period</b>	<b>11,248,181</b>	<b>4,356,053</b>
	<b>Other Comprehensive Income:</b>		
	Available-for-sale financial assets:		
(1,571,225)	Unrealised gains/(losses) on investment securities, net of tax	7,324,481	5,454,850
(1,386,953)	Less: Reclassification adjustments for (gains)/losses included in income	6,935,240	(196,908)
(2,958,178)		14,259,721	5,257,942
(615,255)	Adjustment to Cumulative Unrealised Loss due to tax rate change	-	-
<b>(3,573,433)</b>	<b>Total other comprehensive Income/(loss)</b>	<b>14,259,721</b>	<b>5,257,942</b>
<b>15,148,377</b>	<b>Total Comprehensive Income/(Loss) for the period</b>	<b>25,507,902</b>	<b>9,613,995</b>

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

Notes	Share Capital \$	Share Premium \$	Statutory Reserves \$	Other Reserves \$	Investment Reserves \$	Property Revaluation Reserves \$	Retained Earnings \$	Total Shareholders' Equity \$
<b>Balance at December 31, 2012</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>98,466,591</b>	<b>174,653,586</b>	<b>(14,737,835)</b>	<b>7,720,621</b>	<b>8,608,811</b>	<b>413,589,198</b>
Total Comprehensive Income for the year	-	-	-	-	(8,216,120)	-	14,365,757	6,149,637
Transfer to Reserves	23	-	3,744,362	-	-	-	(3,744,362)	-
Dividends	29	-	-	-	-	-	(7,425,000)	(7,425,000)
<b>Balance at June 30, 2013</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>102,210,953</b>	<b>174,653,586</b>	<b>(22,953,955)</b>	<b>7,720,621</b>	<b>11,805,206</b>	<b>412,313,835</b>
Effect of Tax Rate Change	-	-	-	-	(615,255)	-	-	(615,255)
<b>As Restated</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>102,210,953</b>	<b>174,653,586</b>	<b>(23,569,210)</b>	<b>7,720,621</b>	<b>11,805,206</b>	<b>411,698,580</b>
Total Comprehensive Income For The Quarter	-	-	-	-	14,259,721	-	11,248,181	25,507,902
Dividends	-	-	-	-	-	-	(10,800,000)	(10,800,000)
<b>Balance at December 31, 2013</b>	<b>135,000,000</b>	<b>3,877,424</b>	<b>102,210,953</b>	<b>174,653,586</b>	<b>(9,309,489)</b>	<b>7,720,621</b>	<b>12,253,387</b>	<b>426,406,482</b>

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

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	Notes	Unaudited Quarter Ended Dec 2013 \$	Audited Year Ended June 2013 \$
<b>Cash flows from operating activities</b>			
Operating Income before taxation		11,248,181	6,992,753
Adjustments for:			
Interest Income		(47,198,978)	(99,233,158)
Interest Expense		44,459,223	92,907,409
Depreciation and amortisation		1,676,520	3,111,368
Provision for credit/investment/other impairment, net			
Gain/Loss on disposal of premises and equipment		(24,999)	251
Operating income before changes in operating assets and liabilities		<b>10,159,947</b>	<b>3,778,623</b>
<i>(Increase) decrease in operating assets:</i>			
Loans and advances to customers		539,188,694	28,412,501
Mandatory deposits with Central Bank		(13,369,876)	(26,046,750)
Other accounts		1,486,506	(6,851,288)
<i>Increase (decrease) in operating liabilities:</i>			
Customers' deposits		244,676,408	355,665,854
Due to other financial institutions		7,165,385	2,081,390
Accumulated provisions, creditors, and accruals		(8,114,358)	18,494,541
<b>Cash generated from/(used in) operations</b>		<b>781,192,706</b>	<b>375,534,871</b>
Interest received		39,190,192	90,351,475
Interest paid		(27,722,719)	(91,742,999)
<b>Net cash generated from/(used in) operating activities</b>		<b>792,660,179</b>	<b>374,143,347</b>
<b>Cash flows from investing activities</b>			
(Increase)/Decrease in equipment and intangible assets		(653,543)	(1,338,099)
Proceeds from disposal of equipment		25,000	242,000
Lands acquired		(565,069,905)	
(Increase)/Decrease in special term deposits		5,976,669	(16,322,030)
(Increase)/Decrease in restricted term deposits and T/Bills		10,083,057	5,734,899
Proceeds from disposal of investment securities		554,421,380	811,814,565
Purchase of investment securities		(576,888,280)	(881,440,139)
<b>Net cash generated from/(used in) investing activities</b>		<b>(572,105,622)</b>	<b>(81,308,804)</b>
<b>Cash flows from financing activities</b>			
Other Borrowed Funds		(62,126,331)	(69,426,597)
Dividend paid		(10,800,000)	(15,525,000)
<b>Net cash generated from/(used in) financing activities</b>		<b>(72,926,331)</b>	<b>(84,951,597)</b>
<b>Net Increase (Decrease) in cash and cash equivalents</b>		<b>147,628,226</b>	<b>207,882,946</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>553,881,782</b>	<b>345,998,836</b>
<b>Cash and cash equivalents at end of period</b>	31	<b>701,510,008</b>	<b>553,881,782</b>