

ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED

SEPTEMBER 30, 2011

SKNA National Bank Ltd. Comptroller Division

ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

UNAUDITED FINANCIAL STATEMENTS **FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011**

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BALANCE SHEET AS AT SEPTEMBER 30, 2011

<i>Audited</i> Year Ended <u>June 2011</u> \$		<u>Notes</u>	<i>Unaudited</i> Quarter Ended <u>September 2011</u> \$	<i>Unaudited</i> Quarter Ended <u>September 2010</u> \$
	Assets			
215,522,678	Cash and balances with Central Bank	6	195,142,612	90,223,589
85,884,649	Treasury Bills	7	85,884,649	90,715,601
357,554,842	Deposits with other financial Institutions	8	337,412,841	290,213,637
1,214,606,192	Loans and Advances - customers	9	1,226,678,720	1,175,427,604
126,011,764	- originated debts	10	123,167,996	126,742,352
346,989,343	Investments - available for sale	11	371,310,521	346,057,352
26,750,000	Investment in Subsidiaries	12	26,750,000	26,750,000
	Customers' Liability under Acceptances, Guarantees, and Letters of Credit (per contra)	13	4,586,100	5,046,100
4,126,100			4,586,100	5,046,100
6,024,227	Income Tax Asset		6,024,227	7,927,397
24,814,194	Property, Plant and Equipment	14	24,319,808	24,598,073
1,944,577	Intangible Assets	15	1,644,599	1,021,656
71,168,647	Other Accounts	16	61,854,499	22,305,718
344,097	Deferred Tax	20	8,989,150	357,786
2,481,741,310	Total Assets		2,473,765,722	2,207,386,865
	Liabilities			
1,670,099,137	Due to Customers	17	1,670,132,373	1,458,316,792
6,898,981	Due to other financial institutions		19,221,071	1,745,354
230,497,083	Other borrowed funds	18	228,030,139	203,995,354
	Acceptances, Guarantees and Letters of Credit (per contra)		4,586,100	5,046,100
4,126,100			4,586,100	5,046,100
	Deferred Income		83,892,414	
39,672,946	Accumulated Provisions, Creditors, and Accruals	19	35,081,620	33,966,799
26,811,780	Deferred Tax Liability		-	29,703,287
1,978,106,027	Total Liabilities		2,040,943,717	1,732,773,686
	Shareholders' Equity			
135,000,000	Issued Share Capital	21	135,000,000	135,000,000
3,877,424	Share Premium		3,877,424	3,877,424
35,979,556	Retained Earnings		31,014,681	30,558,268
328,778,303	Other Reserves	22	262,929,900	305,177,487
503,635,283	Total Shareholders' Equity		432,822,005	474,613,179
2,481,741,310	Total Liabilities and Shareholders' Equity		2,473,765,722	2,207,386,865

Statement of Income for the period ended September 30, 2011

Audited Year Ended June 2011 \$		Unaudited Quarter Ended September 2011 \$	Unaudited Quarter Ended September 2010 \$
INCOME			
108,027,312	Interest income	27,290,813	24,413,787
(83,109,317)	Interest expense	(21,953,937)	(19,901,477)
24,917,995	Net interest income	5,336,876	4,512,310
-	Provision for Credit Impairment Losses		
24,917,995	Sub-total Interest Revenue	5,336,876	4,512,310
13,501,219	Fees and commission income	1,396,677	4,096,025
(9,841,970)	Fee expense	(478,784)	(879,320)
3,659,249	Net fees and commission income	917,893	3,216,705
487,102	Dividend income	212,639	146,055
45,553,036	Net gains less (losses) from investments	9,789,624	283,688
3,127,890	Gain on foreign exchange	268,180	764,540
130,287	Other operating income	27,452	21,212
49,298,315	Other Income/(losses)	10,297,895	1,215,495
77,875,559	Operating Income	16,552,664	8,944,510
Operating expenses			
26,020,672	Administration and general expenses	5,182,518	4,569,291
322,122	Directors fees and expenses	88,947	77,409
374,253	Audit fees and expenses		
3,036,573	Depreciation & amortisation	721,074	721,074
1,351,300	Provision for impairment on investments	0	0
31,104,920	Total operating expenses	5,992,539	5,367,774
46,770,639	Operating income before tax	10,560,125	3,576,736
(1,916,859)	Income tax expense		
44,853,780	Net income for the year	10,560,125	3,576,736
0.33	Earnings per share		

ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED

Statement of Comprehensive Income for the period ended September 30, 2011

Notes

Audited Year Ended June 2011 \$		Unaudited Quarter Ended September 2011 \$	Unaudited Quarter Ended September 2010 \$
<u>44,853,780</u>	Net Income for the period	<u>10,560,125</u>	<u>3,576,736</u>
	Other Comprehensive Income:		
	Available-for-sale financial assets:		
25,347,732	Unrealised gains on investment securities, net of tax	1,703,236	4,950,349
<u>(25,708,099)</u>	Less: Reclassification adjustments for gains/(losses) included in income	<u>64,145,167</u>	<u>59,224</u>
<u>(360,367)</u>	Total other comprehensive Income/(loss)	<u>65,848,403</u>	<u>5,009,573</u>
<u><u>44,493,413</u></u>	Total Comprehensive Income for the period	<u><u>76,408,528</u></u>	<u><u>8,586,309</u></u>

STATEMENT OF CHANGES IN EQUITY
For The Quarter Ended September 30, 2011

Notes	Share Capital \$	Share Premium \$	Statutory Reserves \$	Other Reserves \$	Investment Reserves \$	Property Revaluation Reserves \$	Retained Earnings \$	Total Shareholders' Equity \$
Balance at September 30, 2010	135,000,000	3,877,424	87,640,034	154,653,586	55,163,246	7,720,621	30,558,268	474,613,179
Total Comprehensive Income for the period	-	-	-	-	(5,369,940)	-	41,277,044	35,907,104
Transfer to Reserves	22	-	8,970,756	20,000,000	-	-	(28,970,756)	-
Dividends	28	-	-	-	-	-	(6,885,000)	(6,885,000)
Balance at June 30, 2011	135,000,000	3,877,424	96,610,790	174,653,586	49,793,306	7,720,621	35,979,556	503,635,283
Total Comprehensive Income For The Quarter	-	-	-	-	(65,848,403)	-	10,560,125	(55,288,278)
Dividends			-	-	-	-	(15,525,000)	(15,525,000)
Balance at September 30, 2011	135,000,000	3,877,424	96,610,790	174,653,586	(16,055,097)	7,720,621	31,014,681	432,822,005

ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD.
STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

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Audited Year Ended June 2011		Notes	Quarter Ended September 2011	Quarter Ended September 2010
\$			\$	\$
	Cash flows from operating activities			
46,770,639	Operating Income before taxation		10,560,125	3,576,736
	Adjustments for:			
(108,027,312)	Interest Income		(27,290,813)	(24,413,787)
83,109,317	Interest Expense		21,953,937	19,901,477
3,036,573	Depreciation and amortisation		721,074	721,074
1,348,641	Provision for credit/investment impairment, net			
-	Gain on disposal of fixed assets		(7,832)	-
26,237,858	Operating income before changes in operating assets and liabilities		5,936,491	(214,500)
	<i>(Increase) decrease in operating assets:</i>			
(68,727,657)	Loans and advances to customers		(12,077,287)	(29,569,301)
(6,871,445)	Mandatory deposits with Central Bank		(2,240,088)	1,429,327
(37,802,819)	Other accounts		9,314,148	9,377,743
	<i>Increase (decrease) in operating liabilities:</i>			
186,066,527	Customers' deposits		(6,429,189)	(30,739,110)
6,898,981	Due to other financial institutions		12,322,090	1,745,354
(49,417,266)	Accumulated provisions, creditors, and accruals		(5,512,190)	(55,871,728)
56,384,179	Cash generated from/(used in) operations		1,313,975	(103,842,215)
105,844,022	Interest received		27,131,589	24,756,341
(82,216,309)	Interest paid		(12,725,471)	(11,391,685)
-	Income tax paid			
80,011,892	Net cash generated from/(used in) operating activities		15,720,093	(90,477,559)
	Cash flows from investing activities			
(3,740,911)	(Increase)/Decrease in equipment and intangible assets		49,121	(286,370)
-	Proceeds from disposal of equipment		32,000	
(1,773,877)	(Increase)/Decrease in special term deposits		10,863,743	536,667
(9,381,451)	(Increase)/Decrease in restricted term deposits		(4,448)	(4,446)
-	Deferred Income		83,892,414	
284,222,154	Proceeds from disposal of investment securities		32,085,487	57,706,315
(254,787,324)	Purchase investment securities		(154,868,132)	(18,213,214)
14,538,591	Net cash generated from/(used in) investing activities		(27,949,815)	39,738,952
	Cash flows from financing activities			
28,185,314	Other Borrowed Funds		(4,312,121)	(161,591)
(6,885,000)	Dividend paid		(15,525,000)	
21,300,314	Net cash generated from/(used in) financing activities		(19,837,121)	(161,591)
115,850,797	Net Increase (Decrease) in cash and cash equivalents		(32,066,843)	(50,900,198)
223,196,234	Cash and cash equivalents at beginning of period		339,047,031	223,196,234
339,047,031	Cash and cash equivalents at end of period	31	306,980,188	172,296,036