

**ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED**  
**BALANCE SHEET AS AT JUNE 30, 2004**

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	<u>Notes</u>	<u>2004</u> \$	<u>2003</u> \$
<b>Assets</b>			
Cash and Money at call	4	603,238,645	459,347,281
Loans and Advances	5	517,158,177	416,790,906
Investments	6	119,178,759	119,063,817
Investment in Subsidiaries	7	37,550,000	35,550,000
Customers' Liability under Acceptances, Guarantees, and Letters of Credit (per contra)	8	4,389,325	4,276,565
Bank Premises and Equipment	9	17,711,528	18,316,630
Other Accounts	10	9,932,234	5,905,957
Deferred Tax	11	273,945	125,309
<b>Total Assets</b>		<b>1,309,432,613</b>	<b>1,059,376,465</b>
<b>Liabilities</b>			
Due to other Banks		4,008,579	18,937,860
Customers' Deposits	12	984,235,071	828,380,076
Due to Subsidiaries		-	687,648
Deferred Credit	13	11,473,856	21,473,856
Acceptances, Guarantees and Letters of Credit (per contra)	8	4,389,325	4,276,565
Accumulated Provisions, Creditors, and Accruals	14	147,913,374	40,784,292
<b>Total Liabilities</b>		<b>1,152,020,205</b>	<b>914,540,297</b>
<b>Shareholders' Equity</b>			
Issued Share Capital	15	81,000,000	81,000,000
Share Premium		3,877,424	3,877,424
Reserves	16	60,503,122	47,363,391
Retained Earnings		12,031,862	12,595,353
<b>Total Shareholders' Equity</b>		<b>157,412,408</b>	<b>144,836,168</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,309,432,613</b>	<b>1,059,376,465</b>

The attached notes form part of these Financial Statements

**ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED**  
**Income Statement for the year ended June 30, 2004**

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	Notes	<u><b>Total</b></u> <u><b>2004</b></u> \$	<u><b>Total</b></u> <u><b>2003</b></u> \$
<b>INCOME</b>			
Interest - Loan & Advances and Fees		47,204,140	47,285,788
- Investments and Deposits with other Banks		14,965,850	13,476,973
<b>Total Interest Income</b>		<b>62,169,990</b>	<b>60,762,761</b>
Less: - Interest Expense		43,021,876	36,570,438
<b>Net Interest Income</b>	17	<b>19,148,114</b>	<b>24,192,323</b>
<b>Non-Interest Income</b>			
Gain on Foreign Exchange		1,959,852	2,449,556
Gain on Marketable Securities, net		-	117,946
Dividend		529,112	233,220
Service Charge		1,503,883	955,985
Commission		21,124,061	13,260,732
Miscellaneous		941,771	465,108
<b>Total Non-Interest Income</b>		<b>26,058,679</b>	<b>17,482,547</b>
<b>Operating Income</b>		<b>45,206,793</b>	<b>41,674,870</b>
<b>NON-INTEREST EXPENSES</b>			
Establishment		5,361,865	7,327,796
Loss on Marketable Securities, net		1,244,040	-
Communication		291,533	338,751
Staff Employment		9,245,395	8,445,152
Travelling		136,060	75,024
Stationery and Supplies		567,972	506,403
Miscellaneous		223,921	259,881
Audit Fees and Expenses		107,450	69,000
Other Finance Charges		4,180,632	372,700
<b>Total Non-Interest Expenses</b>		<b>21,358,868</b>	<b>17,394,707</b>
<b>Income before Taxation</b>		<b>23,847,925</b>	<b>24,280,163</b>
<b>Tax expense</b>	11	(7,160,694)	(6,558,465)
<b>Net Income for the year ended June 30</b>		<b>16,687,231</b>	<b>17,721,698</b>
<b>Earning per share</b>	19	<b>0.21</b>	<b>0.22</b>

The attached notes form part of these Financial Statements

## STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2004

Notes	Share Capital \$	Share Premium \$	Statutory Reserves \$	Loan Loss Reserves	General Reserves \$	Revaluation Reserves \$	Retained Earnings \$	Total Shareholders' Equity \$
<b>Balance at June 30, 2002</b>	81,000,000	3,877,424	19,454,749	-	18,636,609	1,908,642	10,681,883	135,559,307
- Group Scheme	-	-	-	-	-	-	(470,865)	(470,865)
- Income Tax	-	-	-	-	-	-	381,672	381,672
- As Restated	81,000,000	3,877,424	19,454,749	-	18,636,609	1,908,642	10,592,690	135,470,114
Net Income	-	-	-	-	-	-	17,721,698	17,721,698
Transfer to Reserves	16	-	4,000,000	-	3,363,391	-	(7,363,391)	-
Dividends	20	-	-	-	-	-	(8,355,644)	(8,355,644)
<b>Balance at June 30, 2003</b>	81,000,000	3,877,424	23,454,749	-	22,000,000	1,908,642	12,595,353	144,836,168
- Income Tax	-	-	-	-	-	-	(228,491)	(228,491)
- As Restated	81,000,000	3,877,424	23,454,749	-	22,000,000	1,908,642	12,366,862	144,607,677
Deferred Credit net of tax	13	-	-	-	-	-	6,500,000	6,500,000
Net Income	-	-	-	-	-	-	16,687,231	16,687,231
Effect of adopting IAS 39	16	-	-	-	-	552,500	-	552,500
Transfer to Reserves	16	-	3,500,000	7,500,000	1,587,231	-	(12,587,231)	-
Dividends	20	-	-	-	-	-	(10,935,000)	(10,935,000)
<b>Balance at June 30, 2004</b>	<b>81,000,000</b>	<b>3,877,424</b>	<b>26,954,749</b>	<b>7,500,000</b>	<b>23,587,231</b>	<b>2,461,142</b>	<b>12,031,862</b>	<b>157,412,408</b>

The attached notes form part of these Financial Statements

**STATEMENT OF CASH FLOW**  
For the year ended June 30, 2004

	Note	- 2004 - \$	- 2003 - \$
<b>Cash flows from operating activities</b>			
Deferred Credit brought in		10,000,000	-
Operating Income before taxation		23,847,925	24,280,163
Adjustments for:			
Depreciation		1,817,080	1,775,051
Provision for losses		-	2,637,556
Prior year adjustments		(228,491)	(344,328)
Loss on disposal of fixed assets		35	71
Operating income before changes in operating assets and liabilities		35,436,549	28,348,513
<i>(Increase) decrease in operating assets:</i>			
Net loans and advances		(100,367,271)	79,133,553
Other accounts		(1,182,223)	(1,442,300)
<i>Increase (decrease) in operating liabilities:</i>			
Due to other banks		(14,929,281)	(26,165,139)
Customers' deposits		155,854,995	102,427,518
Due to subsidiaries		(687,648)	687,648
Deferred credit		(10,000,000)	11,473,856
Accumulated provisions, creditors, and accruals		103,065,956	8,673,007
Cash generated from operations		167,191,077	203,136,656
Income tax paid		(9,590,257)	(9,141,978)
<i>Net cash from operating activities</i>		157,600,820	193,994,678
<b>Cash flows from investing activities</b>			
Purchase fixed assets		(1,212,015)	(3,153,853)
Increase in special term deposits		(39,046,774)	(213,040)
Net decrease in investment securities		437,559	3,031,786
Investment in subsidiaries		(2,000,000)	(29,400,000)
<i>Net cash used in investing activities</i>		(41,821,230)	(29,735,107)
<b>Cash flows from financing activities</b>			
Dividend paid	20	(10,935,000)	(8,355,644)
<i>Net cash used in financing activities</i>		(10,935,000)	(8,355,644)
<b>Net increase in cash and cash equivalents</b>		<b>104,844,590</b>	<b>155,903,927</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>388,439,976</b>	<b>232,536,049</b>
<b>Cash and cash equivalents at end of period</b>	4	<b>493,284,566</b>	<b>388,439,976</b>

The attached notes form part of these Financial Statements