Access Day & Night

You can always bank on National to be there!

St. Kitts
- Central Street
- C.A.P. Southwell Ind. Pk
- Main Street, Buckleys
- Main Street, Cayon
- Main Street, Lodge
- Main Street, Sandy Pt.
- Main Street, Saddlers
- Old Road

Nevis
- Prince Williams Street

ATM LOCATIONS

Basseterre 465-2204
Charlestown 469-5244

Guaranteed 24/7 Access

MasterCard

VISA
VISION
To be recognised internationally as the premier financial institution through advanced technology, strategic alliances and superior products and services.

MISSION
To be an efficient, profitable and growth-oriented financial institution, promoting social and economic development in the national and regional community by providing high quality financial services and products at competitive prices.
Customers’ Charter

- To keep the Bank a customer friendly institution.
- To treat customers as an integral part of the Bank and serve them with the highest levels of integrity, fairness and goodwill.
- To provide customers with the products and services they need, in the form and variety they demand them, at the time they require them, and at prices they can afford.
- To give our customers good value for the prices they pay.

Policy Statement

- To mobilise domestic and foreign financial resources and allocate them to efficient productive uses to gain the highest levels of economic development and social benefits.
- To promote and encourage the development of entrepreneurship for the profitable employment of available resources.
- To exercise sound judgment, due diligence, professional expertise and moral excellence in managing our corporate business and advising our customers and clients.
- To maintain the highest standard of confidentiality, integrity, fairness and goodwill in all dealings with customers, clients and the general public.
- To create a harmonious and stimulating work environment in which our employees can experience career fulfillment, job satisfaction and personal accomplishment; to provide job security; to pay fair and adequate compensation based on performance, and to recognize and reward individual achievements.
- To promote initiative, dynamism and a keen sense of responsibility in our Managers; to hold them accountable personally for achieving performance targets and to require of them sustained loyalty and integrity.
- To provide our shareholders with a satisfactory return on their capital and thus preserve and increase the value of their investment.
- To be an exemplary corporate citizen providing managerial, organizational and ethical leadership to the business community.

The policies set out above inform and inspire our customer relationships, staff interactions and public communication; guide our corporate decision making process; influence the manner in which we perform our daily tasks and direct our recruitment, organizational, operational and development policies, plans and programmes.

Our Directors, Management and Staff are unreservedly committed to the observance of the duties and responsibilities stated above for the fulfillment of our Mission.
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St. Kitts-Nevis-Anguilla National Bank Ltd
Summarised non-consolidated audit report and financial statements June 30, 2009

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NOTICE OF MEETING

Notice is hereby given that the THIRTY-NINTH ANNUAL GENERAL MEETING of St. Kitts-Nevis-Anguilla National Bank Limited will be held at the Ocean Terrace Inn, Fortlands Basseterre, on Tuesday 30th November, 2010 at 5.00pm for the following purposes:-

1. To read and confirm the Minutes of the Meeting held on 26 March, 2009
2. To consider Matters Arising from the Minutes
3. To receive the Directors’ Report
4. To receive the Auditors Report
5. To receive and consider the Accounts for the year ended 30th June, 2009
6. To declare a dividend
7. To elect Directors
8. To reconfirm the appointment of Auditors for the year ending 30th June, 2010.
9. To discuss any other business for which notice in writing is delivered to the Company’s Secretary three clear banking days prior to the meeting.

By Order of the Board

Yvonne Merchant-Charles
Secretary

SHAREHOLDERS OF RECORD

All shareholders of record as at November 3rd 2010 will be entitled to receive a dividend in respect of the financial year ended 30th June 2009

PROXY

A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy to vote in his stead. No person shall be appointed a proxy who is not entitled to vote at the meeting for which the proxy is given. The proxy form must be delivered to the Company Secretary 48 hours before the meeting.
ARTICLES GOVERNING MEETINGS

ARTICLE 42
At any meeting, unless a poll is demanded as hereinafter provided, every resolution shall be decided by a majority of the Shareholders or their proxies present and voting, either by show of hands or by secret ballot, and in case there shall be an equality of votes, the Chairman of such meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

ARTICLE 43
If at any meeting a poll is demanded by ten members present in person or by proxy and entitled to vote, the poll shall be taken in every such manner as the Chairman shall direct; and in such case every member present at the taking of the poll, either personally or by proxy, shall have a number of votes, to which he may be entitled as hereinafter provided; and in case at any such poll there shall be an equality of votes, the Chairman of the meeting at which such poll shall be taken shall be entitled to a casting vote in addition to any votes to which he may be entitled as a member and proxy.

ARTICLE 45
Every member shall on a poll have one vote for every dollar of the capital in the Company held by him.

ARTICLE 56
At every ordinary meeting one-third of the Directors shall retire from office. If the number of Directors be not divisible by three, then the nearest to one-third of the number of Directors shall retire from office. The Directors to retire shall be those who have been longest in office since their last election. As between Directors of equal seniority in office the Directors to retire shall be selected from amongst them by lot. A retiring Director shall be immediately, or at any future time, if still qualified, eligible for re-election.

ARTICLE 59
No one (other than a retiring Director) shall be eligible to be a Director, unless notice in writing that he is a candidate for such office shall have been given to the Company by two other members of the Company at least seven days before the day of holding the meeting at which the election is to take place.
# FINANCIAL HIGHLIGHTS

## BALANCE SHEET INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2009 $'000</th>
<th>2008 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>2,103,072</td>
<td>2,265,767</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,253,224</td>
<td>1,278,258</td>
</tr>
<tr>
<td>Loans and Advances (Gross)</td>
<td>1,004,935</td>
<td>939,644</td>
</tr>
<tr>
<td>Investment</td>
<td>454,758</td>
<td>501,059</td>
</tr>
<tr>
<td>Cash and Money at call</td>
<td>354,149</td>
<td>567,309</td>
</tr>
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## OPERATING RESULTS

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Operating Income</td>
<td>179,641</td>
<td>290,703</td>
</tr>
<tr>
<td>Interest Income</td>
<td>113,733</td>
<td>126,898</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>67,596</td>
<td>65,952</td>
</tr>
<tr>
<td>Earnings Before Income Tax</td>
<td>48,582</td>
<td>166,239</td>
</tr>
<tr>
<td>Net Income</td>
<td>41,579</td>
<td>113,544</td>
</tr>
<tr>
<td>Operating Expenses/Provisions</td>
<td>63,463</td>
<td>58,512</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>240</td>
<td>237</td>
</tr>
<tr>
<td>Gross Revenue per Employee</td>
<td>749</td>
<td>1,227</td>
</tr>
<tr>
<td>Total Assets per Employee</td>
<td>8,763</td>
<td>9,560</td>
</tr>
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## SHARE CAPITAL & DIVIDEND INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid up Share Capital</td>
<td>81,000</td>
<td>81,000</td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>445,968</td>
<td>464,611</td>
</tr>
<tr>
<td>Dividends</td>
<td>14,985</td>
<td>14,175</td>
</tr>
<tr>
<td>Number of Shareholders</td>
<td>5,271</td>
<td>5,218</td>
</tr>
<tr>
<td>Earnings per Share ($) (Diluted)</td>
<td>0.51</td>
<td>1.40</td>
</tr>
<tr>
<td>Dividends per Share ($)</td>
<td>0.185</td>
<td>0.185</td>
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</tbody>
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## BALANCE SHEET AND OPERATING RESULTS RATIOS (%)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Loans and Advances to Deposits</td>
<td>80.2</td>
<td>73.5</td>
</tr>
<tr>
<td>Staff Cost/Total Cost</td>
<td>18.7</td>
<td>19.4</td>
</tr>
<tr>
<td>Staff Cost/Total Revenue</td>
<td>13.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Cost/Income (Efficiency)</td>
<td>56.6</td>
<td>26.0</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>9.1</td>
<td>30.8</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>1.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Asset Utilization</td>
<td>8.2</td>
<td>13.8</td>
</tr>
<tr>
<td>Yield on Earning Assets</td>
<td>5.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Cost to Fund Earning Assets</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>2.4</td>
<td>3.3</td>
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Walford V. Gumbs                          Chairperson
Mitchell Gumbs                              1st Vice Chairperson
Dr Mervyn Laws                             2nd Vice Chairperson
Yvonne Merchant-Charles                    Secretary
Linkon Willcove Maynard                   Director
Halva Maurice Hendrickson                  Director
Elsie Eudorah Mills                        Director
Sharylle V I Richardson                   Director
Eugenie J Condor                           Director
Edmund W Lawrence                          Managing Director

CORPORATE SECRETARY

Yvonne Merchant-Charles

SOLICITORS

Kelsick, Wilkin & Ferdinand Chambers
South Independence Square
BASSETERRE

AUDITORS

Deliotte & Touche
The Phoenix Centre
George Street
St Michael
BARBADOS

PKF – St. Kitts
Independence House
North Independence Square
BASSETERRE
### ST. KITTS-NEVIS-ANGUILLA NATIONAL BANK LIMITED
### BRANCHES AND SUBSIDIARIES

#### BRANCHES
- **Nevis Branch**
  - Charlestown, Nevis
- **Sandy Point Branch**
  - Main Street, Sandy Point, St. Kitts
- **Saddlers Branch**
  - Main Street, Saddlers, St. Kitts
- **Pelican Mall Branch**
  - Bay Road, Basseterre, St. Kitts

#### OUTLET
- RLB International Airport

#### ATMS
- Old Road
- St. Paul’s
- Cayon
- Lodge
- St. Peter’s
- CAP Southwell Industrial Park
- Vance W Amory International Airport
- Nevis Branch
- Sandy Point Branch
- Saddlers Branch
- RLB International Airport
- Pelican Mall
- Basseterre Branch
- J N F Hospital
- Port Zante
- Tabernacle
- Frigate Bay

#### SUBSIDIARIES

##### CONSOLIDATED
- National Bank Trust Company
  - (St. Kitts-Nevis-Anguilla) Limited
  - Rosemary Lane, BASSETERRE, St. Kitts
- National Caribbean Insurance Company Limited
  - Church Street, BASSETERRE, St. Kitts
- St. Kitts and Nevis Mortgage and Investment Company Limited
  - Central Street, BASSETERRE, St. Kitts

#### REGISTERED OFFICE OF PARENT COMPANY
- St. Kitts-Nevis-Anguilla National Bank Limited
  - Central Street, BASSETERRE, St. Kitts
It is with some measure of satisfaction that St. Kitts-Nevis-Anguilla National Bank Ltd. presents its report for the financial year ending June 30, 2009. Last year we reported some of the challenges with which financial institutions were confronted as the world's financial markets weakened. However, the full impact had not yet taken its effect on the economies of Caribbean countries. The situation continued unabated throughout the year under review, and beyond, thus escalating the tasks for the Board of Directors, management and staff to combat the challenges.

Despite the challenges, I am pleased to report that the Group recorded Operating Income before tax of $48.6 million and a Net Income for the year of $41.6 million. This achievement is noteworthy amidst the backdrop previously outlined.

I therefore wish on behalf of the Board of Directors to once again commend the management and staff of the Group for their contribution to the success during the year.

The current financial and economic crisis presents an ideal opportunity for indigenous banks to pursue a new growth strategy. Indigenous banks of the Eastern Caribbean have indicated their intention to work diligently towards a strategy, whereby the Banks would collaborate in an arrangement that would lead to a stronger, more resilient entity with a regional personality, while preserving the domestic identities of the existing banks.

Strategic functions such as Information Technology, Internal Audit, Risk Management, Investment Management and Human Resource can be improved and made more efficient, while further gains can be had from group procurement. St. Kitts-Nevis-Anguilla National Bank Ltd. is expected to play a lead role in this process.

The Group continues to experience increased competition from other financial institutions in the local market. This trend is expected to continue as the Group is challenged to hold true to its Mission of being an “efficient, profitable and growth-oriented financial institution, promoting social and economic development in the national and regional community by providing high quality financial services and products at competitive prices.”

The Group continues to perform its role in community involvement by making significant contributions to national development in our youths, sports, education, health and other areas of economic and social development.

I thank all our customers and clients for their continued patronage during the past year. I thank our shareholders, for the trust they have placed in the Board, as well as my fellow Directors for their cooperation and service to the Group.

The global financial and economical challenges should continue for some time in the future but I am confident that by remaining focused on our Vision and Mission, the Group will continue on a positive path of growth and profitability.

Walford Gumbs
Chairman
Managing Director’ Report

I am happy to report that in financial year 2008/09, NATIONAL continued to demonstrate the sterling attributes of safety, soundness and stability as it diligently managed the myriad and diverse challenges and threats unleashed by the global financial crisis and economic meltdown.

The exemplary prudence, principles and procedures practiced by NATIONAL before the crisis protected it during the crisis and will make it possible for the Bank to prevail over the exogenous shocks of future crises.

The strong foundation and resilient fundamentals of NATIONAL remain firmly anchored in its governance and management, experience and expertise, relationships and technologies. Satisfying and balancing the dissimilar and competing interests of our various stakeholders is our first concern and last commitment.

In financial year 2008/09 total ASSETS fell by $180,883,520 or 8.0% from the 2007/08 level. The factors that contributed materially to the fall in total assets were decreases in the following line items:- Treasury bills, Deposits with other financial institutions and Investment securities.

During the same period total LIABILITIES fell by $159,905,338 or 8.8% below the level of the preceding year. The factors that contributed materially to the fall in total liabilities were decreases in the following line items:- Due to customers, Income tax liability, Accumulated provisions, creditors and accruals and Deferred tax liability.

Total SHAREHOLDERS EQUITY fell by $20,978,182 or 4.8% in 2008/09 compared with the 2007/08 level. The factors that contributed materially to the fall in total shareholders equity were decreases in the following line items:- Retained items and Reserves.

INTEREST INCOME in the year under review fell by $13,075,629 or 10.2% below that of the previous year. The decrease was caused by two main factors:-(1) a steep reduction in the rates of interest received on our operating and other necessary accounts held with foreign banks with whom we have working relationships. In some cases the rate of interest paid to NATIONAL was less than fifty (50) basis points and, (2) the interest rate charged on some public sector facilities is tax free and therefore the amount of interest received by NATIONAL is significantly less than would otherwise have been the case.

The CAPITAL EXPENSE of $69,124,287 in 2008/09 reflects the telling facts that (a) NATIONAL pays competitive rates of interest on deposit accounts, and, (b) NATIONAL pays interest on all kinds of deposit accounts including savings accounts, chequing accounts, fixed deposit accounts and call accounts.

A pilot survey carried out during the year under review showed the competitive rates of interest paid on all deposit accounts by NATIONAL, and the top-rate quality service provided by NATIONAL are (a) strong incentives that keep existing customers with NATIONAL, and (b) powerful inducements that attract new customers to NATIONAL. Customers regard their deposits with NATIONAL not only as protected savings, but also like profitable investments.
NET FEES AND COMMISSION INCOME declined substantially during the year under review highlighting a sharp decline in the demand for e-commerce and other financial products and services provided by NATIONAL internationally. The decline was brought about by the global financial crisis and economic meltdown.

The huge shortfall in OPERATING INCOME in the year under review compared with the preceding year reflects the very large one-off allocation received from VISA in the preceding year.

The increase in total OPERATING EXPENSES was caused almost entirely by increases in Repairs and maintenance and in Legal expenses.

Again the shortfall in OPERATING INCOME BEFORE TAX and in NET INCOME FOR THE YEAR reflect the one-off allocation from VISA in financial year 2008.

In December 2009 the Directors paid the shareholders an INTERIM DIVIDEND of 10% amounting to $8,100,000. The Directors will recommend a final dividend of 8.5% amounting to $6,885,000. If the recommendation is approved the total dividend for financial year 2008/09 will amount to $14,985,000.

As at 30 June 2008 NATIONAL had issued 81 million shares altogether of which 39 million shares were paid for and 42 million shares were allotted free as bonus shares.

Since the dividend is paid on all of the shares, that is, both the shares paid for and the shares allotted free as bonus shares, the effective rate of dividend on the shares that were paid for is 38.5% and not 18.5%. This means that the money that shareholders paid to NATIONAL for shares is being returned to them every two and a half (2.5) years.

During the year under review NATIONAL maintained a strong focus on Staff training, education and personal development through various avenues including seminars, workshops, conferences, in-house sessions, specially tailored programmes and university undergraduate and post-graduate studies.

In financial year 2008/09 NATIONAL continued to discharge its COMMUNITY responsibility by allocating substantial resources to various undertakings. As in previous years NATIONAL paid special attention to education and health, sports and recreation, festivals and celebrations, individuals and groups, and many other worthy causes.

LOOKING AHEAD and seeing beyond the lingering aftermath of the financial crisis and economic meltdown NATIONAL anticipates the future with realistic expectations of growth, profitability and enhanced institutional safety and soundness.

Sir Edmund W. Lawrence  
Managing Director
DIRECTORS’ REPORT

Your Directors have pleasure in submitting their Report for the financial year ended June 30, 2009.

DIRECTORS
In accordance with the Bank’s Articles of Association one third of the Directors shall retire by rotation at every Annual General Meeting. Retiring Directors shall be eligible for re-election.

The retiring Directors by rotation are:

Mr. Linkon Maynard
Ms. Elsie Mills
Mrs. Eugenie Condor

The retiring Directors, being eligible, offer themselves for re-appointment.

BOARD COMMITTEES
In keeping with its management function and fiduciary duties, the Board of Directors operates through seven (7) committees namely Asset/Liability Management, Audit, Budget, Corporate Governance, Credit, Executive and Investment.

All committees work closely with management to deal with the many challenges facing the financial services industry and the Bank in particular.

FINANCIAL RESULTS AND DIVIDENDS
Activities of the Bank are focused on increasing shareholders value by providing them with a reasonable return on their investments. During the period June 1999 to June 2009, shareholders’ equity increased by 584.1%; moving from $65.2 million to $446 million.

The Directors report that profit after taxation for the year ended June 30, 2009 amounted to $41.6 million, with earnings per diluted share of $0.51.

Further discussion of the performance of the Company can be found in the Management Discussion and Analysis presented in a separate section of this Annual Report.

The Directors recommend a final dividend of 8.5% ($6.885 million) for the financial year ended June 30, 2009. This recommendation, if approved by the Annual General Meeting, will mean that, in addition to the interim dividend of 10% ($8.100 million) previously distributed to shareholders, a total dividend of 18.5% ($14.985 million) will be paid for the financial year 2009.

AUDITORS
The retiring auditors, Deliotte & Touche and PKF, have expressed their willingness to be re-appointed and a resolution to the effect will be proposed at the Annual General Meeting.

By Order of the Board of Directors

Yvonne Merchant-Charles
Secretary
SPONSORSHIP PROGRAMMES

SPORTS

National Bank regards Sports as an important building block in the development of our youth. In 2009, the Bank affirmed its commitment and involvement in several sporting initiatives throughout the Federation as a testament to this belief. The Bank continues to be the sole sponsor for the St. Kitts Netball League, and the major sponsor for the National Bank School Football League. Other major sporting events sponsored were:

- National Bank Schools Football League
- St Kitts -Nevis Netball Association
- Refurbishing of the Netball Courts in Netball City
- St. Thomas’ Trinity Football League
- SKN Football Association-Travel to FIFA in Aruba
- St. Thomas Primary School Interschool Meet and Sport Day, Nevis
- St. Kitts Football Association International Friendly St. Kitts vs. Jamaica

EDUCATIONAL DEVELOPMENT

Two years ago, National Bank embarked upon a mission to fund the establishment and improvement of libraries that would enhance the educational experience of children at the primary level. To date the Bank has successfully completed five (5) school libraries and will continue until all of the public primary schools in St. Kitts and Nevis are equipped with a library.

Other Educational Donations/Sponsorships:

- Summer Graphics Camp
- Project Strong (skill development)
- Primary Schools Graduations (rewarding academic achievements)
- Ministry of Education for raising funds to assist Secondary Schools in purchasing school supplies to improve students readiness for CXC exams
COMMUNITY OUTREACH

National’s approach to community outreach is guided by strategic interventions in youth development and the improvement of leadership capability. The Advancement for Children’s Foundation was established in the Federation to counteract the trend of rising violence and anti-social behaviour among young people through the promotion of good parenting, family and social values. The Foundation received a substantial donation from the Bank in 2009.

In our continued support of the elderly in our community, during December 2008, staff visited the Grange and the JNF General Hospital to share the joys of Christmas by singing carols and distributing gift hampers.

In maintaining our commitment to preserving the nation’s history and heritage, the Bank renewed its partnership in February 2009 with the Brimstone Hill Fortress National Park Society by sponsoring its week of activities.

Other community based donations this year included:

- Paediatric Assistance League (PALS) – funding for sick children to receive treatment abroad.
- Children’s Dance Theatre – holistic development of girls through cultural expression.
- Save Our Sons (SOS) – boys home geared at curbing anti-social behaviour.
- Financial Literacy Month initiative that educates the general public on savings/investment.

CULTURAL DEVELOPMENT

National Bank continues to demonstrate its commitment to the development of culture by being one of the major sponsors for the National Carnival Queen Pageant. The bank also lends financial support to local community festivals and other folklore groups such as the Green Valley festival and Sylvester’s Masquerade troupe as we endeavour to preserve our unique cultural expressions.