



THE NBA INFORMER

June 2001 Issue

CHAIRMAN'S STATEMENT

<p>Dear Reader</p> <p>I believe that it is vitally important for a business organisation such as ours to be in constant touch with the public. Such contact allows us to hear feedback on our activities and to receive views which could assist us in better achieving our customer satisfaction goals. In that regard this Newsletter provides an opportunity for readers to get information which can be helpful in their financial dealings and a real sense of some of the human side activities at NBA among other things.</p> <p>I am very happy to be able to provide you with information on our performance and activities since our last "INFORMER" in October 2000.</p> <p>Financial Performance</p> <p>Our un-audited Balance Sheet and Profit and Loss Statement for the financial year, which ended on March 31, 2001,</p>	<p>showed that the Bank's assets stood at EC\$287.7 million. This total represents growth of EC\$60 million or 26.3% since our audited report of March 31, 2000 when our assets stood at EC\$227.7 million.</p> <p>Our un-audited Profit as of March 31, 2001 was EC\$6.0 million. We anticipate that after our audit is completed we will show an increase on the profit for 1999 – 2000.</p> <p>The Banks performance over the years has been recognised both regionally and internationally as outstanding and worthy of emulation by other Financial Institutions. It is the desire of Board Management and Staff to continue to improve on our past performances through continued excellence in service, provision of needed products and services and the expansion of our capabilities through the use of technology.</p> <p>I extend gratitude on behalf of the Shareholders, Directors, Management and Staff to our loyal customers who have made our Bank the institution it is.</p> <p>Share Issue</p> <p>The support given to our recent successful share offering is well known by most people on the island. Our initiative to allow</p>	<p>more persons to "Own a Piece of the Rock" resulted in an extremely pleasant heart-warming response. The results demonstrated how positively NBA is viewed and the great desire across the island and region to be a part of this successful company.</p> <p>On March 31, 2001 the closing date, it became obvious that the offering was oversubscribed. Due to the method of allotment used however, every eligible person or entity who subscribed, has been allotted some shares. Allotment letters have now been mailed to all the subscribers who were eligible to hold shares.</p> <p>I wish to thank the public for the tremendous support and confidence shown in the Bank.</p> <p>Building</p> <p>Our building project is proceeding very smoothly and our Contractor has indicated a positive completion date of September 30, 2001.</p> <p>The Bank will be using areas on the ground and top floor for Corporate, Marketing and Audit offices, Staff training and other conveniences.</p> <p>Areas on the ground and middle floor are available for rent/lease</p>
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and we have had and are considering offers of interest from a number of financial institutions. The building is already becoming an imposing landmark with its location on one of the higher points in The Valley. We are proud to once again be providing an object of pride to our community.

Walt Disney once said, "You can dream, create and build the most wonderful place in the world but it takes people to make it work".

Just a short year and a half ago, our staff worked in very cramped surroundings; today they have what may be the most comfortable working environment on Anguilla. We recognise that with a great customer and employee environment we still require pleasant attitudes, professional abilities and good work ethics to ensure the continued success of NBA. We continue to demand the highest standards from our staff by our recruitment system and by ensuring that focused

training is available to them on an ongoing basis.

We appreciate having comments and criticism from the public and encourage you to give us the benefit of your views and opinions in whatever manner possible.

Initiatives

The Bank continues to pursue domestic and non-domestic initiatives which it views as important to its long term interests.

It is accepted today that Financial institutions face threats not only from mis-management but also from natural disasters, failure to embrace technology and the misuse of their services by criminals.

Our initiatives in Anguilla, other Caribbean islands and internationally are designed to allow the bank to expand its service offerings, its market area, avoid concentration risk

and protect itself against elements who may wish to use the Bank services for illegal gain.

Conclusion

Despite the gloomy economic forecasts which are sometimes heard on Radio and Television, NBA continues to view the future positively. We continue to emphasise thrift, investment in people and in commerce thereby standing by our "Commitment to Anguilla's Development".

I hereby wish to commend our staff for their efforts in making NBA an institution of Anguilla pride and the staff of this Newsletter for another superb "INFORMER".

This magazine contains many interesting and informative articles on the Bank, its Staff, Community and affiliates and I encourage you to read it in its entirety.

May God Bless You.

FINANCIAL HIGHLIGHTS - MARCH 31 2001

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	March 31 1999 Audited	March 31 2000 Audited	March 31 2001
Cash and Investments	57,576	58,119	49,133
Loans (see note 1)	120,145	144,570	199,264
Deposits	173,234	199,722	244,498
Assets	199,297	227,767	287,727
Equity	19,517	21,938	28,458
Profit	4,917	4,789	6,002

Note 1 - Loan Loss Provisions and Unearned Interest not extracted

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National Bank of Anguilla Ltd. Hurricane Programme



Home Insurance Loans

These loans are designed to ensure that NBA customer's home have the proper insurance coverage in the event of any disaster. These loans are offered

Hurricane Shutter Loans

Offered at 10% declining interest rate, these loans assist with the purchase & installation of Hurricane Shutters to protect your home.

Safety Deposit Box Services

Allows our customers the peace of mind in knowing that their valuables and other documents are protected.

NBA - MORE THAN BANKING, A COMMITMENT TO ANGUILLAN DEVELOPMENT

P O Box 44 * The Valley * Anguilla * Phone 264-497-2101 * Facsimile 264-497-3310

How Careful Are You With Your Credit Card?

You've just received your credit card, and you go on the internet to purchase an item. Just then some friends drop in, so you leave the card by the computer while you go and have a chat.

Foolish move? Very! For while you are speaking to one friend, another one glances at your computer to see what brand of system you have (or what you were doing). Ah! There's your credit card with all the information placed indiscreetly for anyone to see.

What if it were cash, would you have left it lying around in public? Or taken a signed blank check and left it carelessly about?

No you wouldn't. So why not treat your credit card with the same type of care. Remember, it's easy for someone with your credit card information to charge purchases to your account.

Here are five simple strategies to help you guard your credit card information.

- 1. Don't leave your credit card lying around at home, at work or on the store counter.** The people you trust the most could be the ones to defraud you.
- 2. Keep track of all credit card receipts, thoroughly destroying carbons when you make a purchase.** That way no-one can access information from the carbon imprint, and you will be able to account for all items on your bill.
- 3. Never disclose credit card information over the phone.** You never know who could be listening in.
- 4. Make sure that you are using a secure site when making purchases over the internet.** Most sites will inform you of their level of security. Always look for the tiny padlock at the bottom of your screen.
- 5. Only carry your credit cards if you believe you're going to need them.** If not, leave them at home in a secure place.

As an extra precaution, always copy down the numbers, expiration dates, security codes and contact numbers from your credit cards, placing them in a safe area. In case of theft, you can immediately notify your card company and have a tracer placed on the card, as well as put a hold on your account until a new card is issued.

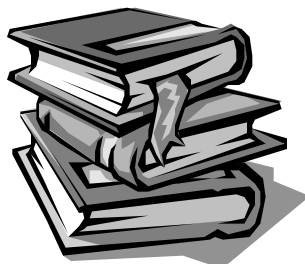
Remember, don't take chances. Be cautious!

Education - The Key To Success

The question is asked "How does one attain the Key to Success?" The answers given vary but the only one that is designed to get you there and keep you there is a "Good Education".

Most of us, as children, hated the thought of going to school day after day after day and could not wait to get out into the real world. I wonder how many of us now wish that the situation could be reversed? The best start for each person begins with school life but is not limited to that. One should seek to grasp any opportunity available which would positively impact their self-improvement. The opportunities nowadays are numerous and unlimited, all we have to do is thoroughly search, weigh and apply the options. It might take a little longer for some to achieve but in the long run you will reap your rewards.

Look at Education as a Key to your storeroom so use it, open that door, pull out that ladder and keep climbing upwards to Success.



National Bank of Anguilla Ltd.

At National Bank of Anguilla Ltd., we have tailored our saving accounts to meet the varying needs of our customers.

Parents Club Accounts



Regular Savings Accounts



Childrens Club Accounts



National Bank of Anguilla Ltd.
P.O. Box 44
The Valley
Anguilla

Telephone No.: 264-497-2101
Facsimile No.: 264-497-3310

Editorial Committee

Mr. E Valentine Banks
General Manager, Banking

Mr. Rosmund Davis
Commercial Loans Officer

Ms Carleen Gumbs
Human Resources Officer

Mrs. Laurel Gumbs
Foreign Exchange Clerk

Mr. Kevin Hawley
Operations Clerk

Mrs. Jo-Anne Hodge
Manager, Internal Audit

Ms Karen Hodge
Executive Assistant, Corporate Office

Ms Pamela Riley
Manager, HR, Marketing, Business Development

Mrs Stephanie Robinson-France
Executive Assistant, G.M. Banking

Caribbean Credit Card Corporation A Peak Behind The Scenes



One of the goals of the indigenous banks in the OECS has always been to provide cost effective services to the banking public. In 1994 three of these banks saw a need for the regional banks to issue and process their own credit card transactions. Traditionally, this type of processing was conducted out of Barbados, Puerto Rico or Miami. The banks felt that by pooling their resources a more cost effective approach could be designed. These meetings resulted in the formation of what is now known as the Caribbean Credit Card Corporation or 4C's with the ability to issue and process VISA credit cards.

In 1994, 4C's was officially launched as a processor for its shareholding banks. As a processor, 4C's managed the issuing and acquiring relationship on behalf of its member banks.

The issuing relationship refers to the bank-cardholder relationship, the actual issuing of a credit card. Although the credit decision is made at the bank level, the information is communicated to 4C's where the data entry takes place, a cardholder account is created and the actual credit card is produced. Any transaction taking place on these accounts issued by 4C's will appear on the 4C's card management system which generates the monthly cardholder statements.

The acquiring relationship refers to the bank-merchant relationship, which enables a merchant to accept credit cards at their businesses. The respective bank provides their merchant with Point of Sale (POS) device. The merchant would then use these POS devices at the point of purchase to confirm whether the cardholder has enough funds available to complete the sale. This confirmation is provided via Caribbean Credit Card Corporation.

The confirmation process can be summarized as follows:-

- a. The information provided by the POS device is checked by 4C's to determine if the card being used was issued by 4C's.
- b. If the card was issued by 4C's the card management system at 4C's which maintains the cardholders account will be queried to determine if the cardholder has enough funds.
- c. a response (approve/deny) is returned to the POS which confirms or rejects the purchase.
- d. If the card is not issued by 4C's, the information

provided by the POS would then be passed on to a network (VISA/MasterCard). The network would then route the transaction to the bank which issued the card and return the provided response to 4C's, which then passes it on to the merchant POS.

The initial focus of 4C's was the specific needs of the indigenous banks which would allow them to enter the market. Today, some seven years later, 4C's issues both VISA Gold, VISA Business, VISA Classic, MasterCard Gold and MasterCard Standard credit cards and provides authorization for VISA, MasterCard and American Express cards. The shareholding has grown from the three original banks to thirteen regional banks. 4C's is now able to issue and acquire for non shareholding banks. In effect, instead of operating as a processor for our shareholders only, 4C's will be operating as a fee based processor for any financial institution.

During these seven years, we have seen several changes taken place in the general development of the regions payment systems and have learnt several important lessons. Let us look briefly at some of the lessons learnt.

1. The indigenous banks now had the ability to issue credit cards to their customer base. This meant that overnight the number of persons with access to a credit card facility significantly increased. This also meant that our banks could offer additional services and build on their existing customer relationships. However, there is a need for an ongoing, region wide consumer education program as it relates to the use and abuse of credit cards. This may assist us in averting a credit burdened consumer market, similar to the US.
2. The transaction processing business is based on information technology. This itself is a dynamic business with many changes taking place annually. A balance needs to be struck between adapting new technology, providing quality customer service and managing operational costs. If our banks are to compete effectively with the commercial banks (supported by US based processors) we must be able to quickly adapt and adopt new technologies. Our systems and communications infrastructure must be flexible enough to keep up with the dynamic nature of the business.
3. The need to provide industry standard services.

Although the initial focus of 4C's was the basic requirements to enter the market. Our member banks and cardholders demanded features and options which are available through other processors. To remain competitive we must be in a position to provide the same type of features, in the same time frames as any other processor.

- The business depends on quality customer service. Quality customer service includes the person to person contact, the comfort level the customers have in using our products and our ability to respond to the merchants and member banks. This issue is continually being addressed through staff training in customer service and was one of the key factors driving our current project to adapt new technologies.

Out of these lessons we have begun a process of implementing technology changes which will provide a more stable and efficient platform for our current and future needs. These changes involves new telecommunications system and new switching technology. The communications infrastructure being adopted will be more flexible and responsible allowing us to provide a higher quality service. The new switching technology will also result in reduced development to market cycles.

The combination will allow us to improve the quality of our service and deliver new products to market in acceptable time frames. As a result the ability of our member banks to respond to their customers and provide quality card processing services will be greatly enhanced.

**A Must Read for
MOTIVATION**

THERE IS A CURVE CALLED
FAILURE...

A LOOP CALLED CONFUSION...
SPEED BUMPS CALLED FRIENDS...
RED LIGHTS CALLED ENEMIES...
CAUTION LIGHTS CALLED FAMILY...
YOU WILL HAVE FLATS CALLED JOBS...

BUT...

IF YOU HAVE A SPARE CALLED
DETERMINATION...
AN ENGINE CALLED PERSEVERANCE...
INSURANCE CALLED FAITH...
A DRIVER CALLED JESUS...
YOU WILL MAKE IT TO A PLACE CALLED
SUCCESS!

Six Questions To Help Us Measure

Up.



1. Does my Life Please God?

Am I consistently putting him first in all that I do and am I following the Lord's commandments? Do I love the Lord with all my heart and love my neighbour as myself?

2. Am I studying my bible daily?

Not just reading it, but actually studying God's word, meditating on it and applying it to your life. Do you desire to be in God's word? Are you hungry for it?

3. How much time do I spend in prayer?

None at all? Only in emergencies? Don't cheat God out of time alone with you. He wants to communicate with you through prayer. Jesus himself took time out to get alone with his father. So should we.

4. When did I last share the Gospel with a lost Soul?

We must remember that we can't save anyone, but we can help lead them to the one who can. The Great Commission beckons us to go into the world and tell others about Jesus. Is there anyone you don't want to be saved? Is there anyone you would rather have spend eternity in hell rather than in the presence of our loving Lord and Saviour?

5. How does my life look to those who are not yet Christians?

Are you walking your talk? Do those who are not Christians notice that you are different? This is important, because if you are not different, if there has been no visible change in your life, if you are not living with a revised set of priorities, then why should anyone want to listen to you, let alone be like you? Your life must be a reflection of Jesus Christ who now abides within. Remember, people are watching you and you may be the only Jesus they see, the only Bible they read.

6. Is there anything I cannot, or will not give up for Christ?

Is there a lifestyle, a habit, a relationship, a job, a sin, or any material possession I would not give up to have a closer relationship with God? What is of more value to you than your relationship with Christ? Whatever it is-money, fame, position, work, or anything else-it is only temporary and compared to eternity, it has absolutely no value.

Think on these questions and make the right decision,
Today!

PROFILES

Mrs. Marjorie Richardson Head - Foreign Exchange Department

Mrs. Marjorie Richardson has been an employee of National Bank of Anguilla Ltd. since 1985. She holds the position of Head of Foreign Exchange, where she is responsible for the smooth operation of all foreign exchange transactions within the Bank. Mrs. Richardson manages 4 members of staff in this department in order to successfully accomplish this task.

Marjorie Richardson (nee Hodge) was born in Curacao and came to Anguilla at the age of three. She attended Valley Girls Primary School before relocating to St. Kitts to complete her secondary education at Convent High School. After school, Marjorie taught at the Convent Primary School for 7 years.

Mrs. Richardson was very active in sports during her school days. Although, Marjorie was considered an all rounder, she described her two favorite sports as being the potato race and netball. Marjorie represented Anguilla on the first Netball Island Team. A collection of trophies and medals serve as a constant reminder of Mrs. Richardson's athletic talent.

Marjorie still has a very active lifestyle. She is married to Illidge Richardson and has two sons—Jaivaughn and Jaidel. She is currently enrolled with the Chartered Institute of Bankers pursuing a Diploma in Marketing and Financial Services. Marjorie Richardson is very active in the church community and has been a member of the Anglican Church Women Association for the last nine years.

Mr. Stanley Reid Director

Mr. Stanley Reid is the newest Director on National Bank of Anguilla Ltd.'s Board of Directors having been elected on March 22nd, 2001 at NBA's Annual General Meeting. This is not a new role for Mr. Reid as he had served as the Government appointed Director from September 1993 to January 1999. During his absence from the Board, Mr. Reid missed the discussions of the Board meetings, which he found to be intellectually stimulating. Mr. Reid stated that: "*With the support of the Shareholders, the Management & Staff and the Directors, NBA is in a position to demonstrate to the local, regional and international community what excellence in Banking is all about.*"

Mr. Reid began his education at the Valley Primary School before attending the Valley Secondary School. In 1986, Stanley worked for 2 months as a Customs Assistant. Mr. Reid spent the following two years teaching a variety of subjects ranging from physics to math at the Albona Lake Comprehensive High School. In 1988, he attended the University of the West Indies, Cave Hill Campus to pursue a Bachelor of Law Degree. In 1991, he attended Hugh Wooding Law School in Trinidad to obtain his Legal Education Certificate. Upon graduation, he took the position of Crown Counsel in the Attorney's General Chambers. From 1995 to 1997, he pursued his Masters of Law Degree from the University of London. In June 1998, he was promoted to the position of Senior Crown Counsel with primary responsibility for all criminal matters. Mr. Reid is also responsible for advising Government ministries and departments on various issues. He occasionally serves as acting magistrate.

In terms of education, Mr. Reid stated that "*With the future of Anguilla, an education beyond a basic secondary education is becoming more and more a necessity in order for Anguillians to achieve the higher ideals that Anguillians hold.*"

Mr. Stanley Reid is married to Dawn Reid and they have one son—Khesim who is 3 years old.



TRAINING AND DEVELOPMENT



The second half of the Bank's financial year has been extremely busy with the setting-up and issuing of shares. The Bank's Human Resources Department with the Board of Directors approval has ensured that some time was allotted for staff training despite the busy period. The following training and development took place.

October 11th -15th, 2000

Ms Icilma Hazell, Manager Operations, attended the Annual Cubs Conference on ACCESS Banking System held in Reno, Nevada.

October 15th - 22nd, 2000

Mr E. Valentine Banks, General Manager Banking attended an E-Business Workshop in Palisades, New York.

October 25th, 2000

Ms Kenny-Ann Proctor, Teller and Ms Tiffany Hughes, Receptionist, attended the 'Excellence Together' workshop hosted by the AHTA and ATB in collaboration with the Caribbean Hospitality Training Institute (CHTI) and American Express. This one day Customer Service workshop was held at the Sonesta Beach Resort & Villas conference center.

November 4th – 11th, 2000

Mr E. Valentine Banks, General Manager Banking, represented the Bank at the CAIB 27th Annual AGM and Conference held in Port of Spain, Trinidad.

Mrs Marita Proctor-Hughes, Credit Officer, attended a course on Debt Collection Strategies & Techniques for new and experienced collectors in conjunction with Cohen & Klein Consulting.

November 8th – 10th, 2000

Mr Selwyn Horsford, General Manager-Corporate, attended a three-day Share Issue attachment at the National Commercial Bank of St. Lucia.

November 20th – 24th, 2000

Ms Icilma Hazell, Manager Operations, and Mrs Joanne Hodge, Manager Internal Audit, attended a Fraud Prevention Training Course hosted by Ifex Training at the Hilton Hotel, Port of Spain, Trinidad.

November 22nd – 24th, 2000

General Manager Banking, Mr E. Valentine Banks, attended the 11th Annual conference with Commercial Banks held at the Bay Gardens Hotel in St. Lucia, hosted by the Eastern Caribbean Central Bank.

January – February, 2001

The Bank's Junior staff attended Customer Service and Business Etiquette seminars with Dr. Linda Oluwakemi Banks.

February 5th – 7th, 2001

The Board of Directors and Senior Staff attended a Leadership program at the Teachers' Resource Center conducted by Mr John Wareham, of the Wareham Associates Inc., New York.

February 11th – 17th, 2001

Mrs Molina Samuel and Ms Vanda Richardson, Credit Officers, attended the 2nd Module of the Mortgage Underwriting Seminar – 'Credit and Property Risk Assessment' hosted by the Eastern Caribbean Home Mortgage Bank, Canada Mortgage and Housing Corporation and Real Estate Institute of Canada (REIC) held at the Ocean Terrace Inn in St. Kitts.

March 30th, 2001

General Manager Banking – Mr E. Valentine Banks, attended the Caribbean Credit Card Corporation (4C's) Board meeting in St. Kitts.

Salomon Smith Barney on Investments

NBA customers have access to investment services with the international investment firm Salomon Smith Barney. You may have met Tom Morgan and Erna McReynolds. They visit Anguilla regularly to meet with NBA investment customers. We asked Mr. Morgan a few basic questions about investments.

Q. Why should anyone in Anguilla ever be interested in investing in stocks or bonds or mutual funds? Aren't there plenty of investment opportunities on the Island?

A. Yes, there are opportunities on the Island. In local companies, local businesses. In NBA. In real estate. Stocks, bonds and mutual funds offer some diversity, of course. Diversity usually treats investors well, over time. Also, they are liquid. That is, you can get your money out of them very quickly. Not all investments offer that advantage. And...most investors see their stock and bond and mutual fund investments grow over time.

Q. Some investors have seen investments like these go down over the last 18 months. Does this make them a poor investment?

A. Not at all. We suggest patience to those investors. When you think about it, all investments move up and down. Real estate certainly does. The value of businesses does. The secret is usually to be patient.

Q. Why invest outside the Caribbean? After all, we will soon have an Eastern Caribbean Stock Exchange. We can invest in stocks of companies of the region.

A. A very good development. It will give more liquidity to local stocks. By that I mean that if you owned NBA shares or Anglec shares you will be able to sell them more rapidly. And you will be able to buy more of them more quickly. In addition to the Eastern Caribbean Exchange, there are also exchanges in Jamaica, Barbados and Trinidad. The new exchange will be linked to them. But...even if you buy stocks of companies all over the Caribbean, you will not get a very diversified collection of shares. Most of the companies offered are in banking or insurance or a primary industry like beer, cement, etc. Nothing much offered in drug companies, electronics, automotive, retailing, chemicals. And all the

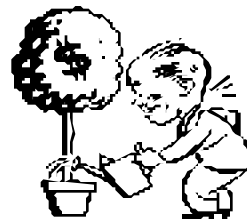
companies are dependent upon the health of the Caribbean economy. If you invest solely in Caribbean companies you would be doing the equivalent of investing only in, we will say, Oregon companies. Nothing wrong with Oregon companies. But if you invest in only those companies, you limit yourself. You limit your opportunities. You open yourself up to risk if that one region has an economic downturn.

Q. Stocks have some risk. We all know that. They also offer some great rewards. How can we go after the rewards but limit our risks?

A. Mutual funds tend to lessen the risk compared with owning individual stocks. Also management programs—like those offered through NBA—lessen the risks. Because they spread the investors funds over many investments—they diversify. And because these programs keep adjusting the investments to take advantages of the changes in the world.

Q. Is there any particular sign to look for when we consider investing?

A. Extreme ups and downs. If a mutual fund or a stock has already had some extremely great gains, it is probably very risky. Also, it makes sense to avoid investing in “things”. Such as throwing money at this mutual fund, that stock, that bond. Better to make a plan. Such as, a plan to invest \$25,000 now in a diverse set of investments that you expect to grow over the next ten years. So that you can draw income from them in retirement, ten years from now. A further plan to add \$2000 per year to these investments. You can make such a plan with us, through NBA.



NBA SEARCH A WORD

C	O	M	P	U	T	E	R	H	A	C	C	D	R	T	K
H	D	O	M	M	K	I	E	A	P	P	E	R	O	E	C
I	I	U	L	J	G	F	H	R	U	O	L	E	T	N	I
P	S	S	C	R	E	E	N	D	K	T	E	D	I	R	T
S	K	E	Y	B	O	A	R	D	C	K	R	L	N	E	S
E	S	P	Z	S	X	N	W	R	A	S	O	O	O	T	Y
T	W	A	E	P	T	V	U	I	B	E	N	F	M	N	O
Y	O	D	S	E	Q	E	D	V	C	D	D	E	F	I	J
B	D	X	W	A	R	O	M	E	G	A	H	E	R	T	Z
A	N	N	O	K	P	I	S	O	E	S	M	E	D	O	M
G	I	A	R	E	V	R	E	S	U	P	E	E	P	X	R
I	W	C	B	R	P	R	O	C	E	S	S	O	R	Q	Y
G	Y	S	X	S	U	B	W	O	O	F	E	R	Z	A	J

BACKUP

GIGABYTES

MOUSEPAD

BROWSE

HARDDRIVE

PROCESSOR

CAMERA

INTEL

SCAN

CELERON

INTERNET

SCREEN

CHIP

JOYSTICK

SER VER

COMPUTER

KEYBOARD

SPEAKERS

CPU

MEGAHERTZ

SPEED

DESKTOP

MODEM

SUBWOOFER

DISK

MONITOR

SYSTEM

FOLDER

MOUSE

WINDOWS

NBA 2nd Share Issue a Success

The second public issue of NBA shares has been a tremendous success! The issue of 450,000 shares at EC\$40, after being open for some ten weeks, was oversubscribed at the close of business on March 31st 2001. It is believed to be the second largest public share offering ever in the OECS, and one of the largest successful per capita offerings anywhere.

The success of the Issue though was neither quick nor easily achieved. In 1994, while planning for NBA's 10th Anniversary, the Board of Directors established a Share Issue Task Force comprised of nine members of the Board of Directors. The Task Force was extended to include four non-Director shareholders in 1997. Its main objective was to organize a second share issue to broaden the Bank's shareholder base. The Task Force submitted a number of recommendations to the Board which were presented to the shareholders on the issue. After several revisions, recommendations for an issue of 450,000 new shares to the public were accepted by shareholders in a Special Meeting on June 28th 2000.

The Board, cognizant of the task ahead, hired the services of KPMG LLC as Financial Advisors/Project Managers and Keithley Lake and Associates as Legal Advisors to ensure that the Bank's objectives were clearly defined.

KPMG LLC Anguilla, because of the nature of the

assignment, sought the assistance of other professional and research staff from its sister company, KPMG Bahamas. They also sought assistance was KPMG's international consulting network. They were to assist the Bank in assessing and documenting its objective, provide alternatives for achieving them and guidance as to the way forward. Keithley Lake and Associates assisted the Bank in presenting the project to the shareholders and provided advice on the contents of the Prospectus which had to be issued prior to the share offer.

KPMG's first task was to conduct an interim audit of the Bank's operations. Information from this audit was needed to provide prospective investors with current details of the Bank's financial position. KPMG then undertook the

preparation of the Prospectus for the Share Issue. This document contained in depth information on the use of proceeds, the Bank's history, current activities, operational facilities, key employees and the Bank's financial performance.

Thyme Design and Fine Print, a Bahamian Firm, was recommended for the layout, design and printing of the Prospectus. The production of the Prospectus was a grilling but learning exercise for all involved. This



document was communicated via the Internet between financial advisors and the printers. Long hours were spent reviewing this document. The Share Issue Task Force reviewed up to 25 drafts of the document. As it was NBA's responsibility for the document's contents, the Legal Advisors, Keithley Lake and Associates had its task of ensuring that the opinions and facts were clearly expressed.

On 21 December 2000, the shareholders in Special General Meeting authorized amendments to the subscription period, which was set at 15 January 2001 to 31 March 2001, and provided for the allocation of up to 90,000 shares to Social Security Board.

The printers were given a deadline to ensure that copies of the Prospectus would be delivered in time for the Official Launch scheduled for 13 January 2001. Thyme Design met the deadline and 5000 copies of the Prospectus were delivered to Anguilla via St Maarten on Friday 12 January 2001. The final document, in full colour and bearing the theme for the issue "Own a piece of the rock," was a showpiece of NBA's history, management and performance, and provided full details of the share offer. NBA's trend-setting document has established the standard for other public companies in the region to follow (particularly with the imminent establishment of the Eastern Caribbean Securities Exchange) and was testimony to the rewards of team work.

Following approval of the prospectus by the Board, Keithley Lake and Associates filed the document with the regulatory bodies including the Ministry of Finance in Anguilla, the Eastern Caribbean Central Bank and the Registry of Companies in the other OECS territories. Copies were distributed to the public at an impressive launch which took place at the Bank's premises on 13 January 2001. Commendations to NBA on the share issue were delivered in prayers, song and speeches. This ceremony was followed by a Press Conference, which took place on Monday, 15 January 2001.

The word was definitely out. The prospectus was made available worldwide via the Bank's Website on the Internet. Prospectuses were sent for distribution throughout the OECS Region via Correspondent Banks. Fliers were posted throughout the island, live discussions were held on the radio, taped advertisements were aired on radio and television. Additionally, road shows were held throughout the island, as well as in St Kitts and St Maarten.

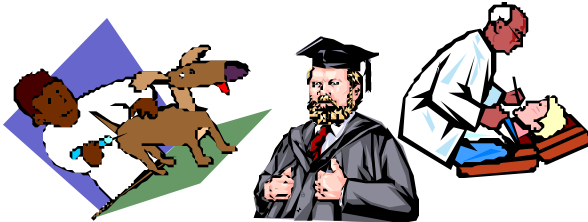
The Subscription period started on 15 January 2001. The Office was equipped to deal with the task ahead. A Subscription Help Desk was at hand to assist with the completion of subscription forms and to answer any questions via telephone and in person. A subscription desk was in place to accept subscriptions under dual custody. Meetings were held weekly to monitor the progress of the share issue. The busiest periods for the Subscription Desk were the two first weeks and the two last weeks of the Share Issue

On Saturday, 31 March 2001, 5.00 p.m. the subscription period was closed with a small ceremony with members of the Board. At about 1 a.m. on 1 April 2001, the glad news that the issue had been over-subscribed was delivered to the Chairman of the Board. A total of one thousand, nine hundred and eighty-seven (1,987) subscriptions for four hundred and sixty-one thousand, seven hundred and ninety (461,690) shares were subscribed for.

The work of the Share Issue Task Force wound down with the detailed report on the Share Issue. This gave birth to an Allotment Committee comprising the Board of Directors and four non-Director shareholders. The task of this committee was to review reports on subscriptions and make recommendations to the Board on the allotment of shares. This process has been completed, with subscribers being issued Letters of Allotment. This Allotment Letter informed them that they were allotted shares and also informed them of the payment dates if they had chosen the installment option. These Allotment Letters are to be submitted to the Bank in exchange for Share

Certificates.

NBA is thankful for yet another successful share issue. The overwhelming support for the issue will always be remembered. The relationships established will be nurtured. NBA is indeed proud that its objectives have been achieved. NBA's shareholder base has been broadened, its capital and reserves to total liabilities ratio strengthened, its finances for business expansion increased and NBA is positioning itself to meet the expectations of all.



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NBA WELCOMES & CONGRATULATES



NBA Welcomes Aboard

Tericia Liburd – HR/Marketing Department
Delores Romney-Lake – Corporate Section
Audrea Hennis – Loans Department
Sherlene Hughes – Operations Department



Best Wishes

To Staff On Obtaining the Following Qualifications
Carleen Gumbs - Executive Diploma in Human Resource Management
Stephanie Robins on-France - Diploma in Business Management

Best Wishes

To Staff Commencing Studies
Marslyn Richardson - Bachelor of Business Administration
Marissa Gumbs - B.Sc. with a major in marketing



Farewell

NBA wishes Elizabeth Gumbs all the best in her new Job



Congratulations To

Marie Rey on the birth of her daughter
Lillian Hodge on the birth of her son
Molina Samuel on the birth of her daughter
Semone Webster on the birth of her daughter



Congratulations To

Stephanie Robins on-France on her
December Wedding to Mr. Kirtis France



HUMOUR

1 Bob Smith, my assistant programmer, can always be found
2 hard at work in his cubicle. Bob works independently, without
3 wasting company time talking to colleagues. Bob never
4 thinks twice about assisting fellow employees, and he always
5 finishes given assignments on time. Often he takes extended
6 measures to complete his work, sometimes skipping coffee
7 breaks. Bob is a dedicated individual who has absolutely no
8 vanity in spite of his high accomplishments and profound
9 knowledge in his field. I firmly believe that Bob can be
10 classed as a high-caliber employee, the type which cannot be
11 dispensed with. Consequently, I duly recommend that Bob be
12 promoted to executive management, and a proposal will be
13 executed as soon as possible.

Addendum:

That idiot was standing over my shoulder while I wrote the report sent to you earlier today. Kindly re-read only the odd numbered lines.

SOCIAL CLUB HIGHLIGHTS

The NBA Sports and Social Club started out the latter part of the year 2000 with a bang. On October 28th it held its first ever Talent Explosion. The evening's highlights were a Halloween Display by staff and a competition, which featured Anguillian Calypsonians paying tribute to NBA in song. The Mighty Springer emerged winner with a first class presentation, closely followed by Hot Shot and Gossip.

NBASSC also enjoyed a few other social activities, one of which included an evening out on the town with a visit to LA Café to experience the vibrant sounds of KROS-FYAH from Barbados.

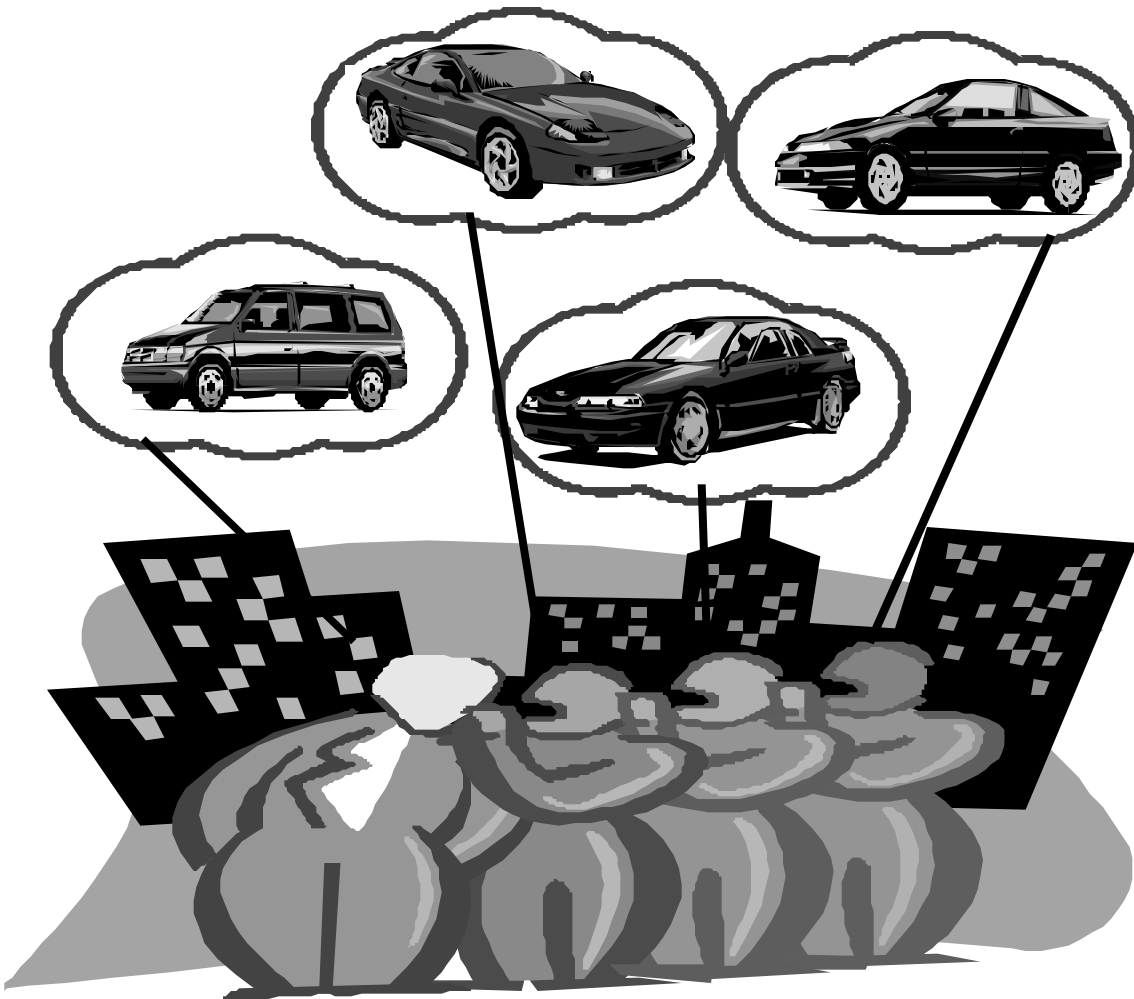
But this Social Club is not all fun and games. In December it demonstrated its community spirit when it donated books valuing approximately EC\$6,000 to all of the island's seven Primary Schools. By this gesture the Club hopes to assist in broadening the minds and firing the imaginations of the island's young people.

For the period of January to March, the Club concentrated its efforts on raising funds to help finance an Easter trip to Barbados. There were car washes, barbeques and a luncheon. However its signature fundraisers were the Grand Slam Jams Parts I, II and III with the number 1 DJ Mixmaster - DJ Sugar held at the Red Dragon Disco. At these events the Club gave away special prizes to 7 lucky winners. Eddie Webster won a trip to Antigua sponsored by LIAT to see the test match between West Indies and South Africa. The "BOSSMAN" was the recipient of a trip to Antigua to see the one-day match between West Indies and South Africa. This ticket was sponsored by the Social Club as well as the tickets and boat fares awarded to Shayne Richardson and Neville Mitchell to see Beres Hammond in concert, and those given to Laval Richardson and Germaine Hughes to see the reggae star, Shaggy. Coco Plums also generously donated the dinner for 2 won by Raphael Fleming.

The club's recent activities culminated in its fun-filled trip to Barbados – a visit that I am sure will live on in the minds of those who attended for a very long time. There were outdoor sports and games, presentations, shopping, karaoke, evening entertainment, breakfast island style, a picnic and a special trip to the magnificent and breathtaking Harrison's Cave.



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