

**Schedule 3  
FORM ECSRC – Q**

**(Select One)**

Quarterly Report

For the period ended SEPTEMBER 30, 2009

or

TRANSITION REPORT N/A

**(Applicable where there is a change in reporting issuer's financial year)**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Issuer Registration Number: BON 290885KN

THE BANK OF NEVIS LIMITED

(Exact name of reporting issuer as specified in its charter)

ST. KITTS AND NEVIS

(Territory or jurisdiction of incorporation )

P.O. BOX 450, MAIN STREET, CHARLESTOWN, NEVIS

(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): 1 (869) 469-5564

Fax number: 1 (869) 1039/5798

Email address: info@thebankofnevis.com

N/A

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. \_\_\_\_\_

## SIGNATURES

Name of Chief Executive Officer:

L. Everette Martin



Signature

24<sup>th</sup> December 2009

Date

Name of Director:

Lyra Richards



Signature

24<sup>th</sup> December 2009

Date

## **1. Changes to Board of Directors and Management**

There were no changes to the Board of Directors during the quarter.

There were no changes to management during the quarter.

## **2. Correspondent banking relationships.**

There were no changes to the bank's correspondent banking relationships during the quarter.

## **3. Properties**

At September 30, 2009, the Bank owned the following properties:

- Land and buildings at Main Street, Charlestown, Nevis that houses the Bank's offices
- Two plots of land at the rear of Bank premises originally earmarked as the site of a second building to meet the Bank's need for additional space. The Board is currently considering possibilities for alternative use.
- Land and building on Main Street, Charlestown, Nevis, adjacent to the current bank premises. Architectural designs are currently being finalized for developing this and the existing premises into a modern banking facility.

## **4. Legal Proceedings**

There were no legal proceedings against the Bank at September 30, 2009.

## **5. Submission of Matters to a Vote of Security Holders**

- There are no matters to report in this category

## **6. Capital**

No shares were issued during the year.

### **Market for Reporting issuer's Common Equity and Related Stockholder Matters**

The Bank's share capital consists of \$7,478,150 common shares of \$1 each.

The Bank's shares are listed on the Eastern Caribbean Securities Exchange. 566,254 shares were traded during the quarter.

Latest share price is \$5.50, market capitalization therefore being EC\$41.13 million.

## **7. Disclosure of Risk Factors**

The following risk factors are relevant to the Bank:

- The vagaries of the offshore industry. A significant portion of the Bank's earnings comes from its offshore subsidiary, Bank of Nevis International Limited. Any changes in the offshore industry, or changes in the Nevis market, could have a significant impact on the Bank's earnings.
- The increasingly litigious environment of the offshore industry. This is however, being counteracted and mitigated by attention to internal controls and sound Know Your Customer policies.
- The Bank operates a single branch on Nevis and as such its domestic operations could be adversely affected by concentration in a small market.
- The Bank holds several investment securities originating in the United States (US) market and is therefore impacted by the current economic downturn in the US economy.

## **8. Changes in Securities and Use of Proceeds**

There were no changes in securities during the period.

## **9. Defaults upon Senior Securities**

There were no defaults on securities during the year.

## 10. Financial Information

### Consolidated Balance Sheet

As at September 30, 2009

(expressed in Eastern Caribbean dollars)

	Unaudited September 2009 \$	Unaudited September 2008 \$
<b>Assets</b>		
Cash / due from other banks and other financial institutions	105,622,482	107,475,808
Treasury Bills	43,937,560	41,474,238
Investment securities	40,261,320	38,629,091
Loans and advances	184,042,090	147,659,841
Other assets	2,223,638	6,513,860
Property, plant and equipment	17,028,082	8,581,433
Investments in other subsidiaries	1,884,745	1,884,745
<b>Total Assets</b>	<b>394,999,916</b>	<b>352,219,016</b>
<b>Liabilities</b>		
Customers' deposits	312,019,024	282,390,170
Other liabilities and accrued expenses	25,017,611	29,126,744
Provision for income tax	777,213	51,693
Deferred tax	(3,895)	571,881
<b>Total liabilities</b>	<b>337,809,953</b>	<b>312,140,487</b>
<b>Shareholders' Equity</b>		
Share capital	7,478,150	7,478,150
Revaluation reserves	10,926,098	(142,581)
Other reserves	12,380,089	10,162,765
Retained earnings	24,787,103	22,256,921
Current earnings	1,618,522	323,273
<b>Total shareholders' equity</b>	<b>57,189,963</b>	<b>40,078,528</b>
<b>Total liabilities and shareholders' equity</b>	<b>394,999,916</b>	<b>352,219,016</b>

## 10. Financial Information ... continued

### Consolidated Statement of Income For the six months ended September 30, 2009 (expressed in Eastern Caribbean dollars)

	Unaudited September 2009 \$	Unaudited September 2008 \$
<b>Interest income</b>		
Income from loans and advances	3,713,773	3,194,989
Income from deposits with other banks and investments	2,416,301	2,183,039
	<b>6,130,074</b>	<b>5,378,028</b>
<b>Interest expense</b>		
Savings accounts	615,157	602,102
Time deposits and current accounts	2,103,911	1,698,098
Interest expense Smith Barney Facility	51,179	-
	<b>2,770,246</b>	<b>2,300,191</b>
<b>Net interest income</b>	<b>3,359,828</b>	<b>3,077,837</b>
<b>Gains (losses) from investment securities</b>	-	1,876
<b>Impairment loss on property plant and equipment</b>		(571,312)
<b>Other operating income</b>	1,075,014	528,651
	<b>4,434,842</b>	<b>3,037,052</b>
<b>Operating Income</b>		
<b>Operating expenses</b>		
General and administrative expenses	2,290,802	2,413,492
Provision for loan impairment	90,000	105,000
Directors' fees and expenses	92,295	134,124
Depreciation	162,127	157,078
Audit fees and expenses	107,649	60,000
Correspondent bank charges	73,447	22,219
	<b>2,816,320</b>	<b>2,892,363</b>
<b>Operating Income for the year</b>	<b>1,618,522</b>	<b>144,689</b>
<b>Taxation</b>		
Current tax expense		345,907
Prior year tax expense		2,164
Deferred tax expense	-	(526,655)
	-	<b>(178,584)</b>
<b>Net income for the year</b>	<b>1,618,522</b>	<b>323,273</b>
<b>Earnings per share (annualized)</b>	<b>0.87</b>	<b>0.17</b>

## **11. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Assets**

Total assets of EC\$395.00 million represents a marginal increase of 6.96 million or 1.79% over the financial year ended June 30, 2009.

### **Loans and Advances**

At the end of the quarter under review, the loans and advances portfolio increased by EC\$5.31 million or 2.97%. The said balance increased from EC\$178.74 million at June 30, 2009 to EC\$184.04 at the end of September 2009.

### **Deposits**

During the quarter, deposits saw a net decrease of EC\$7.63 million or 2.39% when it declined from EC\$319.65 million to EC\$312.02 million. This was primarily associated with the withdrawal of the proceeds of the Nevis Island Administration's 365 day Treasury Bill.

### **Interest Income and Expense**

Interest income earned for the quarter is EC\$6.13 million. When compared to September 30, 2008, total interest income has increased by EC\$752 thousand.

Interest expense for the quarter was EC\$2.77 million. When compared to the performance one year ago, interest expense has increased by EC\$470 thousand.

Total net interest income earned for the quarter is EC\$3.36 million. This total represents an increase of EC\$282 thousand over the total of September 30, 2008.

### **Other Operating Income**

When compared with the same period last year, total other operating income increased significantly by EC\$546 thousand or 103%.

### **Operating Expenses**

Total operating expenses of EC\$2.82 million represents a marginal decrease of EC\$76 thousand or 2.63% when compared to the reporting period of September 30, 2008.

## **12. Liquidity Management**

At September 30, 2009, liquid assets totaled EC\$99.61 million. Liquidity is managed on a daily basis by management and through the offices of the Investments and Treasury Management Department.

## **13. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure**

The Bank has had no disagreements with its Auditors, PricewaterhouseCoopers. The bank has complied with all disclosures required by International Financial Reporting Standards.

## **14. Officers and Key Personnel of the Company**

### **I. EXECUTIVE OFFICERS**

**Name:** L. EVERETTE MARTIN  
P O Box 450, Main Street  
Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** General Manager

#### **Jobs held during past five years:**

- The Bank of Nevis Limited: May 2008 – present
- The Eastern Caribbean Central Bank – Director Bank Supervision Department: January 2007 – May 2008
- The Eastern Caribbean Central Bank – Deputy Director, Securities Regulatory Unit, Bank Supervision Department: January 2002 – January 2007

#### **Education:**

- Master of Science Degree – International Banking and Financial Studies
- Bachelor of Arts Degree (Hons) – Business Administration (Finance Concentration)
- Bachelor of Arts Degree (Hons) - Accounting

**Also a Director of the company:** ( ) Yes ( X ) No

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**Name:** **LYRA RICHARDS**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564/2164

**Position:** Acting Manager, Bank of Nevis International Limited

**Jobs held during past five years:**

- The Bank of Nevis Limited: 1994 - present

**Education:**

- Diploma in Financial Services

**Also a Director of the company:** (X) Yes ( ) No

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**Name:** **LISA HERBERT**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** Chief Financial Officer

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2001 – present

**Education:**

- Certified Public Accountant (CPA)
- Bachelor of Arts Degree (Hons) – Accounting

Also a Director of the company ( ) Yes ( X ) No

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**Name:** **TREVOR FFRENCH**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** Credit Risk Manager

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2007 - present
- Self-Employed – Management Consultant
- Union Bank of Jamaica/RBTT – General Manager/Chief Financial Officer
- Union Bank (Miami Agency) – General Manager/Chief Agent

**Education:**

- Executive MBA

**Also a Director of the company:** ( ) Yes ( X ) No

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**Name:** **LORNA HUNKINS**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** Operations Manager

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2005 - present
- Barclays Bank/First Caribbean International Bank: 2001-2003

**Education:**

- Bachelor of Science Degree – Economics and Accounting

**Also a Director of the company** ( ) Yes ( X ) No

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**Name:** **TREVOR HENDRICKSON**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** Manager, I.T Department

**Jobs held during past five years:**

- The Bank of Nevis Limited: 1991 – to present

**Education:**

- Bachelor of Science Degree – Business/Information Technology
- Certificate, Chartered Institute of Bankers,

**Also a Director of the company:** ( ) Yes ( X ) No

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**Name:** **KEVIN HUGGINS**  
P O Box 450, Main Street, Charlestown, Nevis  
Tel. No: (869) 469-5564/0598

**Position:** Manager – Investment & Treasury

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2006 – present
- Goldman Sachs & Co: January 2005 – May 2006 – Institutional Sales Assistant – Equities Trade Management, Analyst – Third Research and Brokerage

**Education:**

- Bachelor of Business Administration Degree – Finance and Investments
- Associate of Arts Degree – Business Administration

**Also a Director of the company:** ( ) Yes ( X ) No

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**Name:**           **AIANDRA KNIGHTS**  
P O Box 450, Main Street  
Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:**       Legal Counsel / Company Secretary

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2007 – present
- Self-employed: Law practice (St Lucia)
- Marcus Evans: Senior Legal Producer (Barbados)
- Clarke, Gittens & Farmer: Associate (Barbados)
- National Bank of Dominica: Legal Counsel

**Education:**

- Legal Education Certificate
- Bachelor of Laws Degree (LL.B.) (Hons)

**Also a Director of the company:**   ( ) Yes   ( X ) No

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**Name:**           **JACQUELINE LABRADA**  
P O Box 450, Main Street  
Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:**       Compliance Manager

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2007 – present
- Antigua Commercial Bank – Compliance Specialist (AML/CFT),

**Education:**

- Associate of the Institute of Canadian Bankers
- Certificate-Anti money Laundering Specialist
- Member of International Compliance Association
- Diploma in Trust & Estate Management
- Member, Society of Trust & Estate Management (UK).

**Also a Director of the company:**   ( ) Yes   ( X ) No

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**Name: ROSEBUD LANDER-ABRAHAM**

P O Box 450, Main Street  
Charlestown, Nevis  
Tel. No: (869) 469-5564

**Position:** Internal Auditor

**Jobs held during past five years:**

- The Bank of Nevis Limited: April 2008 – present
- The Eastern Caribbean Central Bank – Bank Examiner II

**Education:**

- Master of Science Degree – Financial Management
- Bachelor of Science Degree – Accounting
- Certified Bank Auditor (CBA)

**Also a Director of the company:** ( ) Yes ( X ) No

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**Name: SHIRLETTA BYRON**

P O Box 450, Main Street  
Charlestown, Nevis

Tel. No: (869) 469-5564

**Position:** Human Resources Manager

**Jobs held during past five years:**

- The Bank of Nevis Limited: 2000 – present

**Education:**

- Certificate in Business Administration
- Diploma in Hotel Management and Catering Services (Hons)

**Also a Director of the company:** ( ) Yes ( X ) No

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## II. NON EXECUTIVE DIRECTORS

**Name:**           **RICHARD LUPINACCI**  
P O Box 497, Hermitage  
Nevis  
Tel. No: (869) 469-3477

**Jobs held during past five years:**

- Self-Employed as Hotelier for more than five (5) years

**Education:**

- Bachelor of Arts Degree
- 

**Name:**           **KISHU CHANDIRAMANI, O.B.E.**  
Fortlands  
Basseterre, St Kitts  
Tel. No: (869) 466-7777

**Jobs held during past five years:**

- Self-Employed as Businessman for many years
- 

**Name:**           **ORAL MARTIN**  
Kawaja & Associates  
Main Street  
Charlestown  
Tel. No: (869) 469-1819

**Jobs held during past five year:**

- Self employed – Law Practice
- Kawaja & Associates – Lawyer
- Government of Montserrat – Consultant in Economic and Finance

**Education:**

- Legal Education Certificate
  - Bachelor of Laws Degree (LL.B)
-

**Name:**           **JANICE DANIEL-HODGE**  
Main Street  
Charlestown  
Tel. No: (869) 663-0735

**Jobs held during past five years:**

- Principal of Caribbean Development and Environment Consultants, Inc. : 2003 – present

**Education:**

- Master of Science Degree – Microbiology
  - Bachelor of Science Degree – Biology
  - Advanced (A) Level Certification – Biology and Psychology
- 

**Name:**           **DAVID STRAZ, JR.**  
4401W Kennedy Blvd.  
Suite 150, Tampa,  
Florida, USA 33609

**Jobs held during past five years:**

- Honorary Consul, Republic of Liberia
- Chairman, Southern Exchange Bank – Florida

**Education:**

- Bachelor of Science Degree
- 

**Name:**           **SONYA PARRY**  
Colquhoun's Estate  
P. O. Box 530  
St. Thomas' Parish, Nevis  
Tel. No: (869) 668-8660

**Jobs held during past five years:**

- Gonsalves, Perkins, and Hamel-Smith (St. Kitts) – Associate Attorney
- O'Neal Webster (Tortola) – Associate Attorney within the Banking and Finance Group:

**Education:**

- Master of Laws Degree (LL.M.) (Merit) – Specialization in Banking and Finance
  - Legal Education Certificate (L.E.C.)
  - Bachelor of Laws Degree (LL.B.) (Hons)
  - Diploma in International Trust Management (Dip.ITM)
-

**Name:**           **TELBERT GLASGOW**  
Shaw's Road  
Newcastle,  
St. James' Nevis  
Tel. No: (869) 662-9020

**Jobs held during past five years:**

- Program Coordinator: UWI Distance Learning Program

**Education:**

- Doctor of Philosophy – Electronics Engineering
  - Bachelor of Science Degree – Mathematics and Physics
- 

**Name:**           **CHRIS MORTON**  
Hog Valley Estate  
St. James' Parish  
Nevis  
Tel. No: (869) 469-8978

**Jobs held during past five years:**

- Resident Director:     Hamilton Trust Company (Nevis) Limited

**Education:**

- Qualified member of the Society of Trust and Estate Practitioners (STEP)
- 

**Name:**           **DESMOND HERBERT**  
Tower House  
124 Sheperd's Lane  
Leeds LS7 4D2  
Tel. No: (011) 113-262-9598

**Jobs held during past five years:**

- Retired Mortgage Broker, Financial Consultant, and Property Developer
-