

**Schedule 3  
FORM ECSRC – Q**

**(Select One)**

Quarterly Report

For the period ended DECEMBER 31, 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) 469-1039 / 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:

Name of Director:

**L. Everett Martin**  
\_\_\_\_\_

**Lyra Richards**  
\_\_\_\_\_

  
\_\_\_\_\_

  
\_\_\_\_\_

Signature

Signature

**20<sup>th</sup> JANUARY, 2010**  
\_\_\_\_\_

**20<sup>th</sup> JANUARY, 2010**  
\_\_\_\_\_

Date

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 December 31, 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. These plots will be incorporated into the plans for the new banking facility.
- 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 December 31, 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. 25,164 shares were traded during the quarter.

Latest share price is \$6.00, market capitalization therefore being EC\$44.87 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.
- The collapse of the C.L. Financial Group Limited. The Bank holds investments in two C.L. Financial Group entities; British American Insurance Company Limited (BAICO) and Colonial Life Insurance Company Limited (CLICO).

## **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 December 31, 2009

(expressed in Eastern Caribbean dollars)

	Unaudited December 2009 \$	Unaudited December 2008 \$
<b>Assets</b>		
Cash / due from other banks and other financial institutions	96,422,540	90,456,644
Treasury Bills	44,372,098	41,878,987
Investment securities	40,428,724	35,548,450
Loans and advances	186,048,271	163,016,194
Other assets	2,454,110	5,482,125
Property, plant and equipment	16,991,743	17,079,725
<b>Total Assets</b>	<b>386,717,486</b>	<b>353,462,125</b>
<b>Liabilities</b>		
Customers' deposits	314,963,244	276,825,832
Other liabilities and accrued expenses	23,735,775	26,274,197
Provision for income tax	364,440	306,447
Deferred tax	265,062	-
<b>Total liabilities</b>	<b>339,328,521</b>	<b>303,406,476</b>
<b>Shareholders' Equity</b>		
Share capital	7,478,150	7,478,150
Revaluation reserves	11,204,033	8,369,134
Other reserves	12,380,089	11,218,942
Retained earnings	13,779,767	21,807,716
Current earnings	2,546,926	1,181,707
<b>Total shareholders' equity</b>	<b>47,388,965</b>	<b>50,055,649</b>
<b>Total liabilities and shareholders' equity</b>	<b>386,717,486</b>	<b>353,462,125</b>

## 10. Financial Information ... continued

### Consolidated Statement of Income For the six months ended December 31, 2009 (expressed in Eastern Caribbean dollars)

	<b>Unaudited December 2009 \$</b>	<b>Unaudited December 2008 \$</b>
<b>Interest income</b>		
Income from loans and advances	7,637,321	6,663,490
Income from deposits with other banks and investments	4,248,541	4,566,694
	<b>11,885,862</b>	<b>11,230,184</b>
<b>Interest expense</b>		
Savings accounts	1,234,431	1,133,254
Time deposits and current accounts	4,324,296	3,414,245
Other	101,604	237,205
	<b>5,660,331</b>	<b>4,784,704</b>
<b>Net interest income</b>	<b>6,225,531</b>	<b>6,445,480</b>
<b>Other operating income</b>	<b>2,263,426</b>	<b>418,507</b>
<b>Operating Income</b>	<b>8,488,957</b>	<b>6,863,987</b>
<b>Operating expenses</b>		
General and administrative expenses	4,557,542	4,695,415
Provision for loan impairment	210,000	210,000
Directors' fees and expenses	181,063	256,885
Depreciation and amortization	324,254	314,155
Audit fees and expenses	196,678	120,000
Correspondent bank charges	119,973	85,825
	<b>5,589,510</b>	<b>5,682,280</b>
<b>Operating Income for the year</b>	<b>2,899,447</b>	<b>1,181,707</b>
<b>Taxation</b>		
Current tax expense	352,521	-
Prior year tax expense	-	-
Deferred tax expense	-	-
	<b>352,521</b>	<b>-</b>
<b>Net income for the year</b>	<b>2,546,926</b>	<b>1,181,707</b>
<b>Earnings per share (annualized)</b>	<b>0.68</b>	<b>0.32</b>

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

### **Assets**

Total assets were recorded at EC\$386.72 million. This amount represents a marginal decrease of EC\$1.32 million over the financial year ended June 30, 2009.

### **Loans and Advances**

Loans and advances increased by EC\$2.01 million during the quarter, bringing the total at reporting date to EC\$186.05 million. When compared to the amount recorded at June 30, 2009, this total represents an increase of EC\$7.31 million or 4.09%.

### **Deposits**

An increase of EC\$2.94 million or 0.94% in deposits was recorded over the three months ended December 31, 2009, bringing the total to EC\$314.96 million. When compared to June 30, 2009, deposits have realized a net decrease of EC\$4.69 million.

### **Interest Income and Expense**

Interest income earned for the quarter is EC\$5.76 million. The amount reported at December 31, 2009 was EC\$11.89 million, which represents an increase of EC\$655,678 over the performance one year ago.

Interest expense for the quarter amounted to EC\$2.89 million, with the total at December 31, 2009 being EC\$5.66 million. A comparison to the amount reported at December 31, 2008 reveals that interest expense has increased by EC\$875,627.

Total net interest income at December 31, 2009 is EC\$6.23 million. This total represents a decrease of EC\$219,949 over the amount reported in December, 2008.

### **Operating Income**

Other operating income for the quarter is EC\$1.19 million, bringing the total at December 31, 2009 to EC\$2.26 million.

When compared with the amount reported as at the same period one year ago, other operating income has increased by EC\$1.84 million.

### **Operating Expenses**

Total operating expenses reported for the quarter is EC\$2.77 million.

Total operating expenses at December 31, 2009 of EC\$5.59 million, represents a marginal decline of EC\$92,770 or 1.63% over the amount of EC\$5.68 million that was recorded for December 2008.

## **12. Liquidity Management**

At December 31, 2009, liquid assets totaled EC\$101.79 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

---



**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

---

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

### **I. EXECUTIVE OFFICERS**

**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: Chief Financial Officer, May 2008 – present
- The Bank of Nevis Limited: Accountant, December 2001 – April 2008

**Education:**

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

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

---

**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

---

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

### **I. EXECUTIVE OFFICERS**

**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

---

**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

---

**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

---

**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

---

**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

---

**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

---

**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

---

## 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
-