

FORM ECSRC – Q

Quarterly Report for the period ended SEPTEMBER 30, 2008

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

E-mail address: bon@sisterisles.kn

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

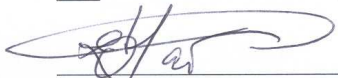
Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of the completion of this report

CLASS	NUMBER
Ordinary	7,478,150

SIGNATURES

Name of Chief Executive Officer:

L. EVERETTE MARTIN



Signature

20/03/09
Date

Name of Director:

LYRA RICHARDS



Signature

March 25.09
Date

THE BANK OF NEVIS LIMITED



QUARTERLY REPORT

SEPTEMBER 30, 2008

1. Changes to Board of Directors and Management

Board of Directors

The following changes to the Board took place during the quarter:

A. The Bank of Nevis Limited

Mr. Spencer Howell tendered his resignation from the board of directors effective July 31, 2008.

B. Bank of Nevis International Limited

Mr. Spencer Howell tendered his resignation from the board of directors effective July 31, 2008.

Management

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, 2008, 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

The following is the lawsuit and pending claim as at September 30, 2008.

SEC v Millenium Financial (Millenium) & Newport Fiduciaries And Nominees S.A (DPP v Millenium Fianacial Ltd & Bank of Nevis International.)

In 2002 the High Court in St. Kitts imposed a freezing order against funds held in the account of a corporate customer (the 'Customer') of Bank of Nevis International Ltd. (the 'Bank'). In June 2006 the order was discharged and a request was made by the Customer to withdraw the funds from its account. To date the Bank has not complied with the demand made by the Customer. In August 2006, a United States Court appointed a Receiver for the Customer, the receiver claiming that the said funds should be paid to him instead, obtained an ex parte order in the United States which resulted in the transfer to him of US\$1,165,000 from an interbank correspondent account in the name of The Bank of Nevis Ltd. held at Bank of America (the 'Interbank Account'). The Receiver claimed that this sum represents the balance in the Customer's account at the Bank. The Bank's Counsel in New York immediately appealed against this transfer of funds (the 'Appeal'). To date no determination has been made regarding the Appeal.

In February 2008, a claim was filed on behalf of the Customer in the Nevis High Court to seek repayment of the sum of US\$1,313,779, being the credit balance on the Customer's account with the Bank. In June 2008, the United States Government commenced an action seeking to forfeit funds up to US\$6.9 million from Bank of Nevis Limited's (BON) US interbank account; which it alleges represents the sum total of funds deposited in the Customer's account with the Bank. The United States Government's Counsel advises however, that the Government is only seeking to have the current balance on the Customer's account forfeited. In July 2008, the Court in this action ordered that the funds in BON's US interbank account that were previously transferred to the Receiver and are the subject of this action be transferred by the Receiver to the custody of a Government 'seizing agency' pending determination of the Forfeiture Action.

There were no new legal claims during the quarter.

5. Submission of Matters to a Vote of Security Holders

There were no matters submitted for a vote of the security holders.

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. 30,270 shares were traded during the quarter.

Latest share price is \$6.05, market capitalization therefore being EC\$45.24 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's investment portfolio is heavily dependent on the performance of the United States economy. The Bank has implemented measures to have the portfolio managed by investment professionals, as well as reduce the United States investment portfolio. This should mitigate these risks.

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, 2008

(expressed in Eastern Caribbean dollars)

	Unaudited September 2008 \$	Unaudited September 2007 \$
Assets		
Cash and balances due from other banks	80,295,060	83,970,198
Treasury Bills	41,474,237	40,129,015
Investment securities	65,809,831	61,759,357
Income tax receivable	17,527	-
Loans and advances	147,659,843	147,465,196
Other assets	6,513,871	6,306,216
Property, plant and equipment	8,581,433	8,412,669
Investments in other subsidiaries	1,884,745	7,454,533
Total Assets	352,236,546	355,497,184
Liabilities		
Customers' deposits	282,390,169	299,170,585
Other liabilities and accrued expenses	28,682,082	19,683,090
Provision for income tax	206,807	27,466
Deferred tax	571,881	485,947
Redeemable shares	-	-
Total liabilities	311,850,938	319,367,088
Shareholders' Equity		
Share capital	7,478,150	7,478,150
Revaluation reserves	(142,582)	918,987
Other reserves	10,162,766	5,438,912
Retained earnings	22,256,920	21,496,110
Current earnings	630,354	797,937
Total shareholders' equity	40,385,607	36,130,096
Total liabilities and shareholders' equity	352,236,545	355,497,184

10. Financial Information ... continued

Consolidated Statement of Income For the three months ended September 30, 2008 (expressed in Eastern Caribbean dollars)

	Unaudited September 2008 \$	Unaudited September 2007 \$
Interest income		
Income from loans and advances	3,194,990	3,006,970
Income from deposits with other banks and investments	2,183,039	1,862,548
	5,378,029	4,869,518
Interest expense		
Savings accounts	602,101	590,818
Time deposits and current accounts	1,698,089	1,579,992
Interest expense Smith Barney Facility	77,135	-
	2,377,324	2,170,810
Net interest income	3,000,705	2,698,708
Gains (losses) from investment securities	-	-
Realized loss on fair value through profit or loss investments	-	-
Other operating income	427,272	1,116,080
Operating Income	3,427,977	3,814,788
Operating expenses		
General and administrative expenses	2,319,201	2,457,963
Provision for loan impairment	105,000	105,000
Directors' fees and expenses	134,126	150,574
Depreciation	157,078	170,418
Audit fees and expenses	60,000	60,573
Correspondent bank charges	22,219	72,324
	2,797,623	3,016,851
Operating Income for the year	630,354	797,937
Taxation		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
	-	-
Net income for the year	630,354	797,937
Earnings per share (annualized)	0.34	0.43

11. Liquidity

The group's liquidity position remained stable during the period. Liquidity is monitored on a daily basis through the offices of the Investments and Treasury Management Department. Liquidity management is also an area of primary focus during the weekly management meetings and the monthly ALCO meetings.

12. 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.

13. 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

13. Officers and Key Personnel of the Company ... continued

I. EXECUTIVE OFFICERS ... CONTINUED

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

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

13. Officers and Key Personnel of the Company ... continued

I. EXECUTIVE OFFICERS ... CONTINUED

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

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

13. Officers and Key Personnel of the Company ... continued

I. EXECUTIVE OFFICERS ... CONTINUED

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

13. Officers and Key Personnel of the Company ... continued

I. EXECUTIVE OFFICERS ... CONTINUED

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

13. Officers and Key Personnel of the Company ... continued

I. EXECUTIVE OFFICERS ... CONTINUED

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

13. Officers and Key Personnel of the Company ... continued

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: **HANZEL MANNERS**
P O Box , Stoney Grove
Nevis
Tel. No: (869) 469-1618

Jobs held during past five years:

- The Bank of Nevis Limited – Chief Financial Officer: 1999 - 2008

Education:

- Bachelor of Arts Degree (Economics and History)
 - Fellow of the Association of Chartered Certified Accountants (FCCA)
 - Associate of the Chartered Institute of Bankers (ACIB)
-

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
-

13. Officers and Key Personnel of the Company ... continued

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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
-

13. Officers and Key Personnel of the Company ... continued

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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)
-

13. Officers and Key Personnel of the Company ... continued

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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
-