

**Schedule 3
FORM ECSRC - Q**

(Select One)

Quarterly Report For the period ended **31 MARCH 2009**

or

TRANSITION REPORT _____
(Applicable where there is a change in reporting issuer's financial year)

For the transition period from _____ to _____

Issuer Registration number: **BON290885KN**

The Bank of Nevis Ltd

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

St Kitts and Nevis

(Territory of incorporation)

P O Box 450, Main Street, Charlestown, Nevis

(Address of principal office)

Reporting issuer's:

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

Fax number: (869) 469-1039/5798

Email address: info@thebankofnevis.com

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by Sections 98 of the Securities Act of 2001 during the preceding 12 months

Yes _____

No _____

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.

CLASS	NUMBER
Ordinary	7,478,150

SIGNATURES

Name of Chief Executive Officer:

Name of Director:

L. Everette Martin

Lyra Richards




Signature

Signature

24th December 2009

24th December 2009

Date

Date

1. Changes to Board of Directors and Management

Board of Directors:

At the 22nd Annual General Meeting held on March 31st, 2009, Mr. Desmond Herbert and Mr. Chris Morton were elected as directors of the parent Bank of Nevis Limited. Mr. Hanzel Manners was not re-elected to the Board of Directors.

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 March 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. 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 March 31, 2009.

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

4. Legal Proceedings ... continued

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.

By order made on November 28th, 2008 (the 'Order') the Nevis High Court recognized and gave full effect to the United States August 2006 order appointing the Receiver. The customer has filed an application with the Court of Appeal of the Eastern Caribbean supreme Court for leave to appeal the granting of the Order. This application is still pending. Notwithstanding this pending application, the Bank's solicitors advise that the Order enables the Bank to give good discharge of its obligations in respect of the funds held on behalf of the Customer by paying over the same to the Receiver. A settlement agreement is being negotiated with the United States Government in respect of the Forfeiture Action requiring them, upon payment by the Bank to the Receiver, of all funds held by it on the Customer's behalf, to simultaneously remit to The Bank of Nevis Ltd. the funds seized from the Interbank Account in 2006, plus interest accrued thereon. This settlement agreement will be a final determination of the Forfeiture Action. A settlement agreement is also being negotiated with the Receiver and the United States Securities Exchange Council in respect of the Appeal.

There were no new legal claims during the quarter.

5. Submission of Matters to a Vote of Security Holders

An Annual General Meeting was held on March 31, 2009. The following matters were submitted for a vote of the security holders:

- Election of directors (*See Section 1*)
- Declaration of dividend of 20 cents per share – *Approved*
- Re-appointment of PricewaterhouseCoopers, Chartered Accountants as auditors for the year ended June 30, 2009 – *Approved*.

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. 84,000 shares were traded during the quarter.

Latest share price is \$6.50, market capitalization therefore being EC\$48.61 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.

- Decline in local economic conditions to primarily to the closure of the island's main tourism plant the Four Seasons Resort as a result of damages incurred from the storm surge of Hurricane Omar in October 2008. Hundreds of the Resort's employees were subsequently made redundant and its re-opening date is still uncertain. The local economy has also been heavily impacted by the effects of the global economic meltdown.
- Financial difficulties experienced by regional conglomerate C L Financial Limited. The BON Group is exposed to C L Financial Limited via investments in two of its subsidiaries – British American Insurance Company Limited (BAICO) and Colonial Life Insurance Company (Trinidad) 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 March 31, 2009

(expressed in Eastern Caribbean dollars)

	Unaudited March 2009 \$	Unaudited March 2008 \$
Assets		
Cash / due from other banks and other financial institutions	102,855,020	99,079,883
Treasury Bills	41,609,457	34,990,116
Investment securities	38,889,554	38,590,979
Income tax receivable	-	17,527
Loans and advances	170,734,393	154,734,612
Other assets	4,674,992	5,986,928
Property, plant and equipment	17,029,133	8,293,761
Investments in other subsidiaries	1,884,745	7,714,130
Total Assets	377,677,293	349,407,937
Liabilities		
Customers' deposits	300,729,298	290,353,518
Other liabilities and accrued expenses	25,762,631	18,591,721
Provision for income tax	306,447	132,030
Deferred tax	-	571,881
Total liabilities	326,798,376	309,649,150
Shareholders' Equity		
Share capital	7,478,150	7,478,150
Revaluation reserves	7,848,119	1,929,060
Other reserves	11,218,942	10,162,765
Retained earnings	21,799,584	16,053,009
Current earnings	2,534,121	4,135,803
Total shareholders' equity	50,878,917	39,758,787
Total liabilities and shareholders' equity	377,677,293	349,407,937

10. Financial Information ... continued

Consolidated Statement of Income For the nine months ended March 31, 2009 (expressed in Eastern Caribbean dollars)

	Unaudited March 2009 \$	Unaudited March 2008 \$
Interest income		
Income from loans and advances	10,129,199	9,495,610
Income from deposits with other banks and investments	6,791,667	5,366,518
	16,920,866	14,862,127
Interest expense		
Savings accounts	1,773,976	1,826,780
Time deposits and current accounts	4,960,819	4,505,921
Interest expense Smith Barney Facility	328,431	-
	7,063,226	6,332,701
Net interest income	9,857,640	8,529,427
Gains (losses) from investment securities	-	301,621
Realized loss on fair value through profit or loss investments	-	-
Other operating income	1,347,988	3,742,349
Operating Income	11,205,628	12,573,396
Operating expenses		
General and administrative expenses	7,243,954	6,713,030
Provision for loan impairment	315,000	315,000
Directors' fees and expenses	339,052	551,927
Depreciation	471,234	511,253
Audit fees and expenses	180,000	180,572
Correspondent bank charges	122,267	165,811
	8,671,507	8,437,594
Operating Income for the year	2,534,121	4,135,803
Taxation		
Current tax expense	-	-
	-	-
Net income for the year	2,534,121	4,135,803
Earnings per share (annualized)	0.45	0.74

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

Assets

Total assets of EC\$377.68 million represents an increase of 6.28% over the last quarter. When compared with June 30, 2008 total assets increased by EC\$20.05 million or 5.61%.

Loans and Advances

During the quarter, there was significant growth in the loans and advances portfolio - an increase of EC\$7.72 million or 4.73%. When compared with June 30, 2008, loans and advances increased by EC\$21.24 million to a total of EC\$170.73 million or 14.21%.

Deposits

There was a marked increase of EC\$22.02 million or 7.90% in deposits during the quarter. Total deposits at the end of the quarter were EC\$300.73 million. When compared to June 30, 2008, deposits have increased by a total of EC\$15.41 million or 5.40%.

Interest Income and Expense

Interest income earned for the quarter is EC\$5.69 million, bringing the total year-to-date interest income to EC\$16.92 million. When compared to March 31, 2008, total interest income has increased by EC\$2.06 million.

Interest expense for the quarter was EC\$2.28 million, bringing the total expenses for the year to EC\$7.06 million. When compared to the performance one year ago, interest expense has increased by EC\$731 thousand.

Total net interest income earned for the quarter is EC\$3.41 million, bringing the year-to-date total to EC\$9.86 million. This total represents an increase of EC\$1.33 million over the total of March 31, 2008.

Other Operating Income

Total other operating income at the end of the period is EC\$1.35 million. This represents a decline of EC\$929 thousand when compared to December 31, 2008.

When compared to the same period last year (March 31, 2008), this class of income has decreased by EC\$2.39 million.

Operating Expenses

Total operating expenses of EC\$8.67 million represents a marginal increase of EC\$2.99 million or 52.61% when compared to December 31, 2008. Operating expenses increased by EC\$1.96 million over the reporting period of March, 2008.

12. Liquidity Management

The Bank's liquidity position is stable. At December 31, 2008, liquid assets totaled EC\$129.64 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

14. 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

14. 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

14. 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

14. 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

14. 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

14. 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: **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)
-

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

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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
-

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

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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
-

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

II. NON EXECUTIVE DIRECTORS ... CONTINUED

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
-