

# A leader in financial services



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**Mission** To be the banking and financial services provider of choice in the Caribbean.

**Corporate profile** The Financial Services Division of BCB Holdings Limited ("BCBH or the Company") provides a range of banking and financial services in Belize, the Turks and Caicos Islands ("TCI") and to international customers Worldwide. The Company is actively seeking opportunities to expand its financial services operations into other areas of the Caribbean.

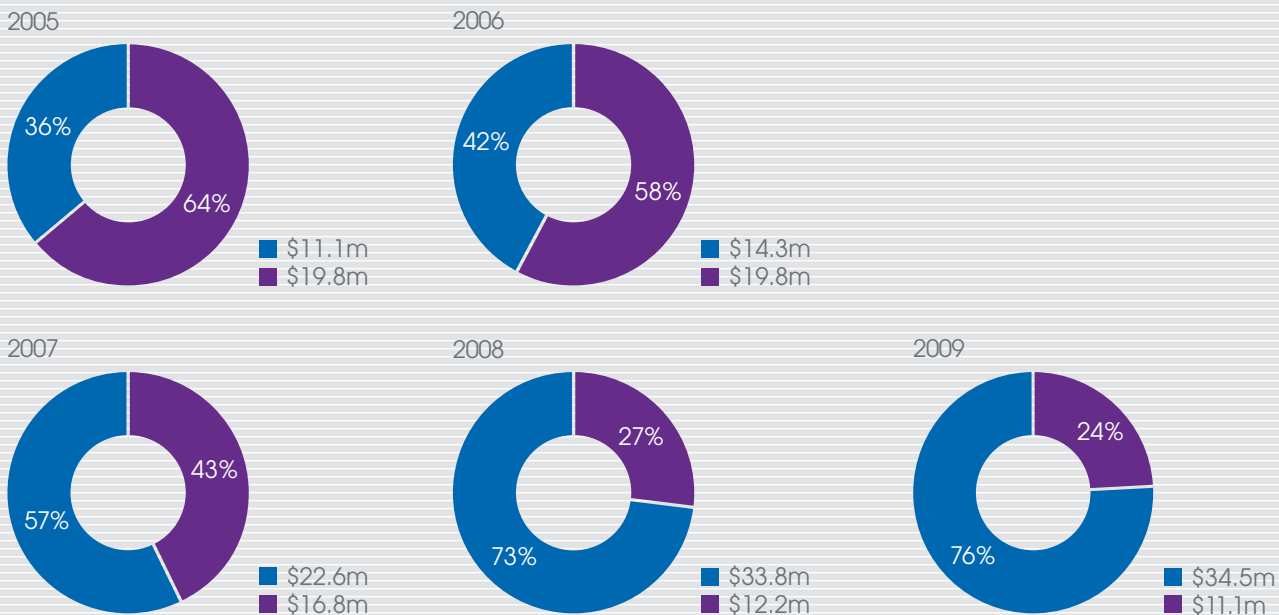
BCBH's principal subsidiaries comprise of The Belize Bank Limited ("Belize Bank"), which operates in Belize, British Caribbean Bank Limited ("BCB"), which operates in TCI, (both of which serve domestic and international customers), and British Caribbean Bank International Limited ("BCB International") which is based in Belize but operates internationally (collectively the "Financial Services Division").

The Company is dedicated to providing the highest level of personalized service to its customers in order to offer the most competitive and effective financial solutions for all of their banking and financial needs. In addition, through its 24.8 percent ownership in Numar, BCBH has an interest in a successful and market-leading edible oil processing and distribution operation in Costa Rica.

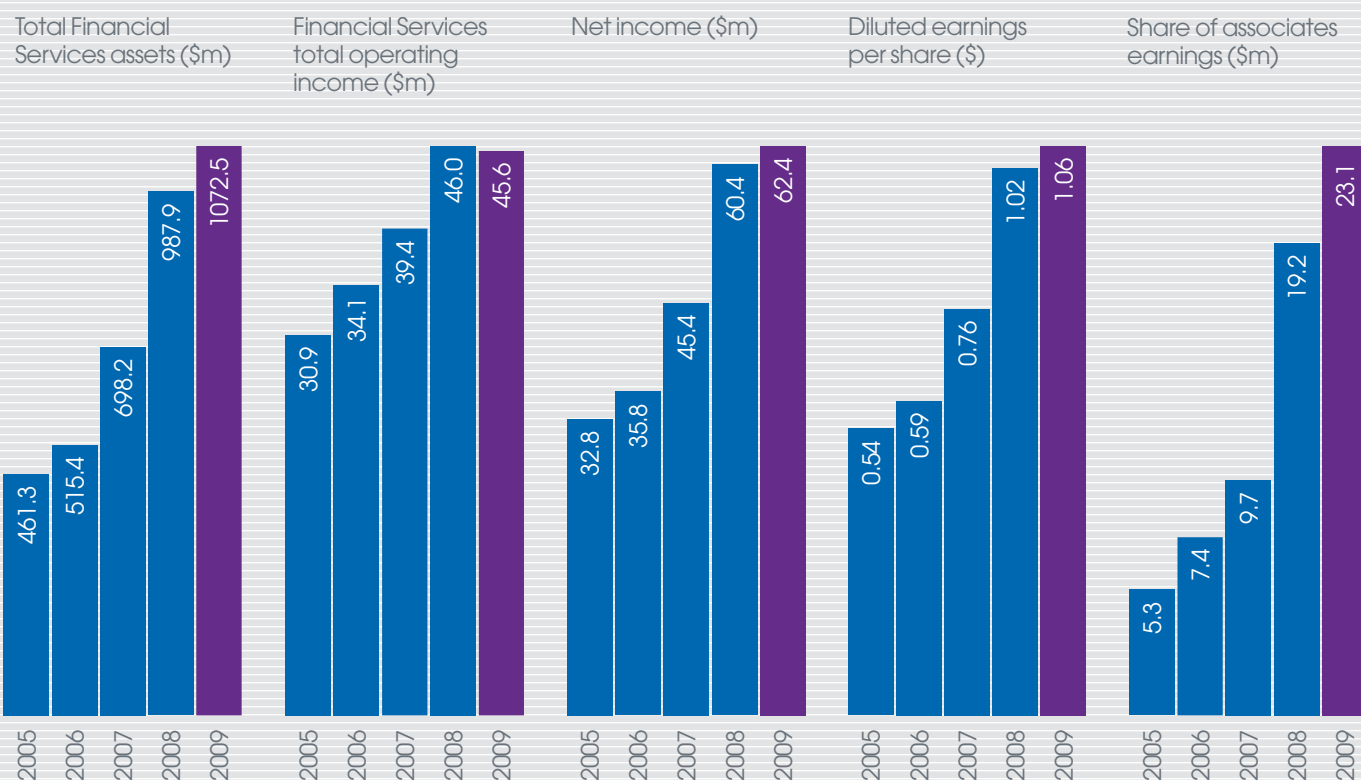
## Performance highlights

Financial Services operating income (\$m)

■ US dollar denominated operating income  
■ Non-US dollar denominated operating income



BCB Holdings Limited is the parent company of a successful group of financial services businesses operating in Belize and the Turks and Caicos Islands. Our goal is to be the banking and financial services provider of choice in the Caribbean region and we aim to achieve this by building on the success of our existing operations and by providing an increased range of financial products and services to individual and corporate customers.



# Chairman's letter

BCBH's priority is to navigate carefully through the current recession and to be prepared for a recovery when it comes

I am pleased to report that the Company achieved acceptable results for the current year in spite of very challenging circumstances. Net income for the year was \$62.4 million compared with \$60.4 million for 2008. This is a reasonable financial performance in an environment where pressure on the banking sector has been intense.

The Financial Services Division produced operating income of \$45.6 million in the current year, a flat result compared with 2008.

Numar had a very good year but this performance has now tailed off somewhat as World edible oil prices have fallen in 2009.

In May 2009, we announced the change of the name of the Company to "BCB Holdings Limited". This change is part of our strategy to simultaneously re-brand the international banking operations of the group under the "British Caribbean" name and extend our footprint to other key geographic areas within the Caribbean. Accordingly, BCBH recently renamed its TCI banking operation, "British Caribbean Bank Limited" and its international bank "British Caribbean Bank International Limited". BCB is a name we intend to use more and more as we establish our footprint in new locations.

## **Economic conditions**

It is now clear that the US driven subprime mortgage phenomenon which began in 2007 was the beginning of a global financial meltdown and recession. This economic environment has had a devastating effect on a number of well known banks across the World and caused many complete bank failures. Whilst our Financial Services Division was not exposed directly to subprime related investments, the effect of the global banking crisis on the economies of the countries in which we operate and on the liquidity of our own operations has been significant. The difficult market conditions continue and there are mixed views in the market as to where and when a recovery might begin.

The countries in which we are based have a high dependency on overseas visitor traffic and investment, and have been seriously impacted by the recession. In both Belize and TCI, there have been significant reductions in tourist arrivals; a stall in inward investment; declining public and private expenditure, and weak property markets. Against this background the Company's performance in fiscal 2009 represents a solid achievement.

## **Priorities**

BCBH's priority is to navigate carefully through the current recession and to be prepared for a recovery when it comes. BCBH is planning to expand its financial services business into new areas of the Caribbean and to increase its earnings across a broader range of economic jurisdictions and products. In fiscal 2009, our earnings from Financial Services in US dollars amounted to \$34.5 million, or over 70 percent of Financial Services operating income.



In May 2009, as part of this strategy and to provide liquidity and capital to fund acquisitions and growth, BCBH acquired Cockleshell Limited, a company listed on the London Alternative Investment Market, whose sole asset was \$52.4 million in cash. This was a strategic acquisition that provided liquidity in difficult financial markets.

We are dedicated to providing the highest level of personalized service to our customers and offering the most competitive financial solutions for all their banking and financial services needs. Our goal is to be the banking and financial services provider of choice in the Caribbean region and we aim to achieve this by building on the success of our existing operations and by providing an increased range of financial products and services to individual and corporate customers.

#### **Associate**

Our associate Numar is the market leader in edible oils, margarine, industrial oils and animal feed in Costa Rica. Numar has had another very good year contributing \$23.1 million to the net income of BCBH. In the last two years, Numar has contributed \$42.3 million to the bottom line of BCBH. This is an outstanding performance and a credit to the management team of Numar.

#### **The Board**

During the year, we have strengthened our Board of Directors with the appointments of Mr. Lyndon Guiseppi, who joined as Chief Executive Officer in August 2008, Dr. Euric Bobb, who became a non executive director in November 2008, and Mr. Wendell Mottley who became a non executive director in July 2009. Mr. Guiseppi is a senior finance and banking professional with over 18 years of professional experience in international banking and has held various executive positions in several major financial institutions, including Royal Bank of Trinidad and Tobago.

Dr. Bobb is a former Governor of the Central Bank of Trinidad and Tobago and is a holder of the Chaconia Medal Award, the second highest honour for service to Trinidad and Tobago. Mr. Mottley is a former Minister of Industry and Commerce and Minister of Finance of the Government of Trinidad and Tobago and has 15 years of executive experience in international investment banking with Credit Suisse New York. These appointments add considerable strength and depth to the Board and will serve us well both in our existing operations and as we expand our footprint into other jurisdictions. We will continue to expand the Board of Directors with key appointments that will provide the right breadth of experience for the environment in which we operate and to fulfil our corporate objectives. We have also strengthened the boards of our key banking subsidiaries.

The significant achievements of the Company in a difficult environment this year speak for themselves and I would like to express my sincere thanks to the management and staff who have contributed to this effort during the course of the last year.

**Lord Ashcroft, KCMG**  
Chairman

# Chief Executive's report

Over the next three years, the primary focus of BCBH will be to take the necessary steps to position the organization as the leading Caribbean based provider of financial products and services

In fiscal 2009 BCBH achieved solid financial results in spite of the difficult economic conditions prevailing Worldwide. The many years of successive growth at BCBH are directly attributable to the foresight of the Board of Directors and management in positioning the organization to capitalize on investment opportunities even in a volatile economic environment.

Over the next three years, the primary focus of BCBH will be to take the necessary steps to position the organization as a leading Caribbean based provider of financial products and services.

We intend to achieve this status through organic growth in our traditional markets and by leveraging our strong balance sheet to capitalize on investment opportunities in the financial services sector in investment grade and near investment grade jurisdictions in the English, Dutch and Spanish speaking Caribbean.

By utilizing this disciplined and focused approach, we intend to build a truly Pan-Caribbean diversified financial services group over the medium term.

In keeping with this mandate and with our regional aspirations and ambitions, BCBH recently changed its name and began re-branding its key subsidiaries under the "British Caribbean Bank" and "BCB" name. It is also our intention to leverage this new brand as we acquire or establish new operations. In conjunction with these initiatives, BCBH plans to cross-list on one or more of the regional stock exchanges in the Caribbean and to have the Company and its functional subsidiaries rated early next year. In the coming months, we also intend to strengthen our executive management team with some key appointments which will add to our already considerable bench strength.

In this regard, we hope to recruit individuals with regional and international banking and finance experience as we seek to roll out our group strategy.

Despite the adverse impact of the global recession on the markets in which we operate and on our client base, the performance of the Financial Services Division remained solid in difficult circumstances. Principally due to the recession, and particularly in TCI, we experienced a higher incidence of non-performing loans. Although the loan portfolio increased this year, interest income was held back by the negative effect of these non-performing loans, which caused interest reversals. The Financial Services Division produced operating income of \$45.6 million in the current year compared with \$46.0 million in 2008. The Company's balance sheet remains strong with shareholders' equity of \$350.0 million at March 31, 2009.

In TCI, the loan portfolio of BCB is concentrated in the hotel and condominium construction and development sector. The cash inflows of this sector are highly dependent on a steady stream of visitors and buyers to TCI. There has been a material slowdown in all visitors to TCI with a consequential negative impact on commercial activity. BCB is the number one lender in TCI with a loan portfolio of over \$360 million. This portfolio will be carefully managed as the Company navigates its way through the current economic crisis.



The Belize Bank's operations in Belize have also suffered to an extent from the fall out of the recession although it still remains the dominant player in the market. On the positive side, international rating agency, Moody's Investor Service, recently upgraded Belize's Government bond ratings giving the bonds a rating of B3, a notable improvement from the previous rating.

The contribution from Numar, our associate based in Costa Rica, has increased this year to a record \$23.1 million, as it continued to benefit in 2008 from higher market prices for crude palm oil and the benefits of its investment strategy of increasing productive capacity in lower production cost areas. In 2009, however, market prices of crude palm oil and related products have declined with a commensurate negative effect on the contribution the Company receives from Numar.

The Company's investment in information technology ensures that both front and back offices function effectively and that new products and services keep pace with the demands of the markets in which we operate. This policy helps to retain our leading position ahead of our competitors.

BCBH is committed to the highest level of corporate governance. The Company operates through a Board of Directors and an Executive Committee. The Executive Committee meets to implement the strategy set by the Board. Audit Committees operate at both group level and in our material operating subsidiaries. Various other committees operate to monitor credit, risk, finance, marketing, strategic planning and technology.

Going forward, we will continue to seek opportunities to grow the US dollar earnings of BCBH outside of Belize and TCI. The current Belize economic and political environment continues to present significant challenges but we will persevere with our key financial objectives. Our financial strength positions us well to meet the challenges and pursue the growth opportunities ahead of us. We will continue to leverage the Company's strong financial position, its sophisticated banking systems and service quality to expand the business internationally and in the Caribbean as opportunities arise.

BCBH's continuing success is dependent on its people. We are fortunate to have a dedicated, professional management team and workforce that together possess the commitment and expertise to deliver excellent results. I express my gratitude to my staff for producing another outstanding performance. On behalf of the entire management team and employees, I would like to thank our customers for the continuing opportunity to serve their banking and financial needs.

A handwritten signature in black ink, appearing to read 'Lyndon Guiseppi', written over a light grey background.

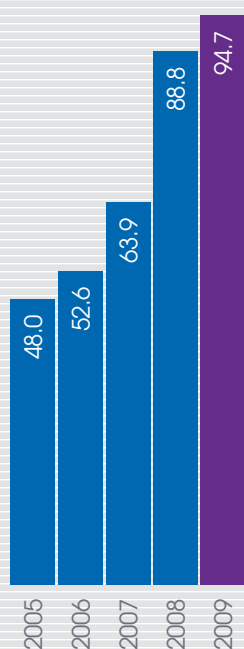
**Lyndon Guiseppi**  
Chief Executive Officer

# Management discussion and analysis

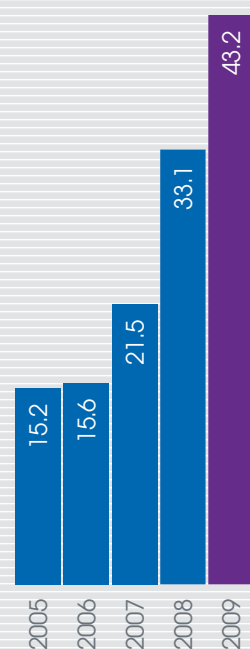
The many years of successive growth at BCBH are directly attributable to the foresight of the Board of Directors and management in positioning the organization to capitalize on investment opportunities even in a volatile economic environment

## Financial Services key performance indicators

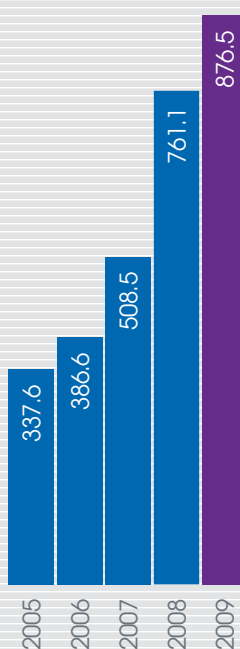
Interest income (\$m)



Interest expense (\$m)



Loans (\$m)





During fiscal 2009, the Company was faced with challenging market conditions in both Belize and TCI as the global recession gained a stronger hold. Both countries, but in particular TCI, are to a large extent dependent on the tourism industry and the related inward foreign investment and cash flows. Consequently, the negative impact of the global recession on the economies of both countries has been marked.

#### **Income statement**

The Company produced net income of \$62.4 million in fiscal 2009, a \$2.0 million increase over the \$60.4 million net income in fiscal 2008. The results were affected by the following items:

- Interest income increased by \$5.9 million which reflected a significant increase in the loan portfolio offset by a fall in average interest rates earned;
- Interest expense increased by \$10.1 million due to an increase in deposits and borrowings together with an increase in the average cost of funds;
- Net non-interest income amounted to \$1.1 million (2008 - expense \$1.4 million) assisted by a one time gain of \$2.7 million arising from the VISA IPO;
- An increase in corporate expenses of \$1.2 million due principally to an increase in legal fees over 2008, and
- A significantly better contribution from Numar, our associate, of \$23.1 million, \$3.9 million ahead of 2008.

#### **Interest income**

Interest income increased by \$5.9 million to \$94.7 million from \$88.8 million in 2008, which reflected an increase in interest income on loans of \$9.4 million, offset by a decrease in interest income of \$3.5 million on interest bearing cash deposits.

The increase in interest income of \$9.4 million is due to a combination of the following: an increase in interest income of \$28.5 million on a \$219.1 million increase in the average loan portfolio, offset by a decrease in interest income of \$19.1 million due to a fall in the average rate of interest earned on interest bearing assets from 13.0 percent to 10.8 percent.

The increase in the loan portfolio was funded by a combination of retained earnings, an increase in deposits and an increase in long-term debt. The decrease in average interest rates on the loan portfolio was due in part to the average non-performing loans increasing to \$48.6 million (2008 - \$20.6 million). This was the result principally of adverse market conditions in TCI. The interest income reversals on the non-performing loans amounted to \$10.4 million (2008 - \$3.9 million) which contributed significantly to the reduction in average interest rates earned. Average interest rates on demand and overdraft loans also decreased to 14.3 percent (2008 - 16.0 percent).

The decrease in interest income of \$3.5 million on interest bearing cash deposits was due to a combination of a decrease of \$25.8 million in average cash deposits and a fall in the yield.

#### **Interest expense**

Interest expense increased by \$10.1 million to \$43.2 million (2008 - \$33.1 million). This reflected an increase in interest expense of \$3.8 million due to an increase in the rate of interest to 5.7 percent (2008 - 5.2 percent) on the average deposits and borrowings of \$762.9 million. The balance of the increase, \$6.3 million, was due to an increase in the average level of deposits and borrowings of \$121.6 million. The increase in average borrowings was due in part to the full year effect of the \$50 million 10 percent loan notes issued by the Company in November 2007 and the remainder due to an overall increase in deposits and other long-term debt.

#### **Net interest income**

Net interest income fell by \$4.2 million to \$51.5 million in 2009.

#### **Provision for loan losses**

Provision for loan losses amounted to \$7.0 million in fiscal 2009 (2008 - \$8.3 million). Difficult market conditions in the property markets, particularly in TCI, have caused average non-performing loans to increase to \$48.6 million (2008 - \$20.6 million) with the balance of non-performing loans at March 31, 2009 being \$130.9 million.

#### **Non-interest income**

Non-interest income increased by \$3.7 million to \$20.6 million from \$16.9 million in 2008. The increase was principally due to an increase in other income to \$6.0 million (2008 - \$3.3 million) due to a non-recurring gain of \$2.7 million arising on the reorganization of VISA and an increase in credit card fees received of \$0.7 million to \$3.2 million (2008 - \$2.5 million). Foreign exchange fees of \$6.4 million (2008 - \$6.1 million) and customer service fees of \$2.3 million (2008 - \$2.1 million) remained flat.

#### **Non-interest expense**

Non-interest expense which includes personnel, benefits and related costs, premises and equipment costs, and other general expenses increased by \$1.2 million to \$19.5 million (2008 - \$18.3 million).

#### **Numar**

The contribution from Numar in the year ended March 31, 2009 improved by \$3.9 million over 2008 to \$23.1 million. Year on year the contribution from Numar for the period ended March 31, 2009 reflected a consistent gross margin percentage on significantly improved sales. This trend continued until the end of 2008. However, in 2009 there has been a decrease in the market prices of edible oils which has had a negative effect on Numar in recent months.

#### **Corporate expenses**

Corporate expenses increased from \$5.1 million to \$6.3 million. Corporate costs principally represent personnel, property and related costs in respect of multiple office locations together with legal and professional fees. The increase of \$1.2 million is principally related to legal and professional fees.

# Domestic banking in Belize

Belize Bank is the largest banking operation in Belize. It provides a comprehensive range of banking and financial services to both retail and commercial customers, including online banking and electronic bill paying services. Belize Bank's unmatched convenience and expertise, high quality service, innovation and a continually evolving suite of financial products help to maintain it as the leading financial services provider in Belize.

The Belize banking industry is comprised of five domestic banks and seven international banks. Belize Bank has a head office in Belize City, eleven branches and a network of 21 ATMs located in every major town and city throughout the country. This network provides the most comprehensive distribution channel of all the banks in Belize. Belize Bank has an approximate 42.0 percent share of loans and a 37.0 percent share of deposits, substantially ahead of its nearest competitor. Belize Bank's loan portfolio at March 31, 2009 amounted to \$357.6 million.

Belize Bank's sophisticated front and back office systems provide a solid platform for the development and operation of the bank. Belize Bank has a well developed information technology infrastructure that provides superior processing capacity, delivery channels and customer service. These systems facilitate the rapid introduction of new products. The systems have been designed to be extremely resilient to external communication interruptions which we believe to be essential in hurricane risk areas. The investment in systems is on-going and the bank recently completed the development of a country-wide satellite communication network for disaster preparedness and business continuity purposes. It is one of its kind in Belize.

Belize Bank provides credit facilities to both commercial and retail customers. Credit controls ensure that the loan portfolio growth is balanced with sound loan quality. Approximately half of Belize Bank's loan portfolio consists of corporate loans supporting the tourism, agriculture, mariculture and distribution industries. The balance of the portfolio is extended to residential mortgages and consumer loans.

Belize Bank current and savings accounts provide customers easy access to their funds with debit cards. Belize Bank savings accounts currently yield up to 6 percent interest and term deposits are available at very competitive interest rates.

Belize Bank's VISA Gold Card and MasterCard credit cards allow customers to make purchases and access funds Worldwide. The VISA Gold Card also offers free travel accident insurance, free auto rental insurance and an array of emergency travel assistance services. The Belize Bank Visa Debit Card, originally launched in 2006 has been a great success. Cardholders are able to access funds in their deposit accounts by using the card to pay for goods and services at over one thousand business establishments across Belize.

Belize Bank Merchant Accounts provide Belizean based businesses with VISA, MasterCard and American Express (exclusive acquirer in Belize) electronic processing capability. We are proud to announce the recent launch of Discover Card acquiring. The Merchant Accounts feature competitive discount rates, next day credits, convenient reconciliation through our online banking service and an effective support system. In direct response to the needs of its commercial customers, Belize Bank also offers Internet Merchant Accounts ("IMAs"), using PayPal's PayFlow Pro Internet payment gateway to enable the processing of credit card transactions via the internet.

We have deployed over one thousand point of sale terminals and have a market share of merchant acquiring in Belize of over 60 percent.

With Belize Bank Online, customers can view and download to accounting programs or spreadsheets their account transactions, transfer funds, and pay their bills online. In addition, Commercial Online Banking customers can reconcile their credit card transactions and process their payrolls by making direct payments to their employees. Belize Bank's 24-hour Secure Online Messaging System allows customers to correspond with Belize Bank personnel through a secure channel. The services of Belize Bank Online are also available to customers of British Caribbean Bank International and BCB.

Belize is situated on the Caribbean coast of Central America bordered by Mexico to the north, Guatemala to the west and south, and by the Caribbean Sea to the east. Geographically Belize comprises mainland Belize, which covers an area of approximately 14,000 square miles, and hundreds of small islands and cays that stretch approximately 25 miles into the Caribbean Sea. Belize's barrier reef extends down the entire 240 mile coastline of Belize. Mayan history, the diversity of the mainland terrain and the vast array of offshore cays and islands provide Belize with a solid foundation for continuing development of the tourist industry. Belize is under two hours from Miami and is served directly by five international airlines from various southern US cities. It is a peaceful, English speaking, stable democracy with a political system based on the British Westminster model with Queen Elizabeth II as Head of State. Belize's legal system is based on English Common Law with the Privy Council serving as the final court of appeal. Its currency, the Belize dollar, has been pegged to the US dollar at a fixed exchange rate of 2 to 1 for over 25 years.

# International banking

BCB International provides a comprehensive range of banking services to its Worldwide customers. These services include deposit accounts in multiple currencies, flexible types of loan facilities, credit, debit and prepaid cards, online stock trading, online banking, online merchant acquiring, company formation and administration and other related services. BCB International provides excellent value to both individuals and businesses with competitive deposit and lending rates, low corporate setup costs, access to a wide range of investment products with excellent yields, easy trading across international borders and tax-free interest.

BCB International is focused on providing customers with operational and service excellence to satisfy their banking needs and remains committed to expanding its range of products and services to meet this objective. International banking specialists are available by phone to ensure that customers receive an efficient and high quality service. This is complemented by a full time, secure, online messaging system to allow customers to communicate with the bank.

BCB International has correspondent banking relationships with a number of leading international banks, including Bank of America and Citibank.

International deposit accounts enable our customers to manage their finances wherever they are in the World and provide an efficient way to send money to any jurisdiction. These accounts are tax-free and not subject to currency controls. Accounts are available to both personal and corporate customers in US dollars, Canadian dollars, UK pounds and Euros. Current accounts are designed to provide customers with immediate access to their funds either by wire transfer or banker's draft.

BCB International also offers tax-free, hard currency term deposits at highly attractive and competitive interest rates and with various terms of maturity. BCB International provides various types of lending options to facilitate the best possible financing solutions for its customers. Lending is tailored with flexible payment terms to meet budgetary needs and goals. Credit facilities include overdrafts, lines of credit and secured mortgage loans for personal, residential or commercial purposes. BCB International also offers standby and documentary letters of credit and financial guarantees. Strict credit controls ensure that the mainly asset backed loan portfolio is of a high quality.

BCB International offers customers access to a large number of stocks, mutual funds, options and other securities through its brokerage service partners in the US. Customers may trade online or, as a more personalized service, they may place their trading order with an account manager via fax or e-mail. In addition, the service includes monitoring and collecting all dividends and interest payments, disposing of all income collected in accordance with customers' instructions and informing customers of new investment opportunities.

BCB International's VISA Gold Card, MasterCard credit cards and VISA Debit cards are available to customers and provide the same services as those provided by Belize Bank. The recently launched VISA prepaid card has already proven itself to be popular product for both international business and private clients.

Through Belize Corporate Services Limited and affiliated companies, BCB International offers Belize International Business Company ("Belize IBC") formation and maintenance services along with complementary administrative and ancillary services. A Belize IBC is a legal entity similar to the US based corporation or limited liability company and enjoys total exemption from all forms of taxation in Belize. For international customers, the Belize IBC is a flexible, tax efficient medium suitable for a wide range of trading, investment and asset protection solutions. Belize Corporate Services also provides on request IBC's from other jurisdictions. Belize Corporate Services is by far the largest corporate services provider in Belize with a global network of professional intermediary and private customers. As of March 2009, Belize Corporate Services has over 16,000 companies under management.

# Banking in the Turks and Caicos Islands

BCB is one of the largest financial institutions in TCI where it provides lending and deposit facilities together with a range of other banking services to domestic and international customers. Its assets comprise principally asset backed lending to the tourism and property development sectors.

BCB has shareholder's equity of \$173.9 million which gives it one of the strongest balance sheets among the banks operating in TCI. BCB's commitment to the provision of quality service and innovative, flexible financing solutions made it the fastest growing bank in TCI where it assisted in the promotion and the continuation of the economic expansion of TCI over the last few years. Recently, however, TCI, in common with many Caribbean tourist destinations has experienced the effects of the global economic crisis. Tourism, foreign ownership and the related commercial development of properties are key contributors to the TCI economy. Consequently, the current global economic crisis, and in particular the US economy, influences TCI significantly. Between 2000 and 2007, TCI experienced rapid annual double digit percentage growth in gross domestic product. This growth has stalled in 2008 and 2009 with visitor arrivals and resort occupancy levels down on prior years, a trend typical of the Caribbean at the present time.

BCB's earnings have helped increase the US dollar component of Financial Services operating income to over 70 percent of its total operating income. With a loan portfolio of \$390.7 million at March 31, 2009 BCB is the largest lender in TCI, principally to the commercial property sector.

As the Company navigates its way through the difficult market conditions, BCB will continue to remain responsive to customers' needs and will participate over time in new opportunities as they become available in TCI.

BCB offers both current accounts and term deposits in US dollars, Canadian dollars and UK pounds. BCB's bank accounts are well suited for international customers who require immediate access to their funds by wire transfer.

BCB is a leading provider of customized lending products with flexible loan terms and highly competitive interest rates. BCB provides facilities for tourism related development financing, residential mortgages and service businesses throughout TCI. BCB ensures customers receive the most comprehensive financial products that best match their requirements. BCB has found its own niche in the market place by providing loan specialists who deal one-on-one with clients and provide a speedy response to customer loan requests.

BCB's VISA Gold Card and MasterCard credit cards are available to customers providing the same services as those provided by Belize Bank. VISA debit cards will be available shortly. BCB offers a number of other services similar to those provided by Belize Bank including merchant acquiring services and comprehensive online banking.

TCI is situated in the British West Indies, 80 minutes or 575 miles south east of Miami at the southern end of the Bahamas chain with easy access to large parts of the USA. Covering an ocean area of approximately 166 square miles, TCI has eight islands and a significant number of cays and coral reefs making it a World-class location for all water sports. Its proximity to the USA has facilitated a rapid expansion in tourist visitors over the last ten years. Large scale cruise ships are able to dock on Grand Turks Island. On Providenciales Island there are several marinas catering for craft of up to two hundred feet.

TCI is English speaking and combines the stability of a British Overseas Territory with the acceptance of the US dollar as the local currency with a well-defined regulatory framework. TCI has a fiscal structure with no tax on income (either personal, corporate or capital gains), and no exchange control. TCI has a modern, full service international airport with daily flights from a number of key cities in the USA and Canada. Runway expansion is currently on the drawing board and this would facilitate non-stop flights from Europe.

Numar, based in Costa Rica, owns edible oil processing and distribution operations and palm seed plantations in Central America where the company is a market leader in the production and distribution of edible oils, margarine, industrial oils and animal feed. Numar has been in operation for over 50 years and has an experienced, long established management team.

In fiscal 2009, earnings from the Company's investment in Numar increased by 20.3 percent to \$23.2 million from \$19.1 million in 2008. Numar's profits were driven by the continued high World market prices for crude palm oil over most of the year. Numar's investment strategy, which in recent years has been focused on increased production facilities in low cost areas, was well timed. Numar's sales increased by 22.8 percent to \$518.5 million in fiscal 2009 from \$422.1 million in fiscal 2008 with net income increasing from \$79.1 million to \$95.6 million. Gross assets of Numar increased from \$434.0 million in 2008 to \$485.8 million at March 31, 2009. In late 2008 there were clear signs that the global financial meltdown was having a significant effect on the market price of crude palm oil with a consequential negative effect on the results of Numar which are highly dependent on this factor. World palm oil prices fell in late 2008 to close the year with an average price of \$503 per metric ton compared with prices for most of the year at over \$1,100 per metric ton. Currently prices are back to in excess of \$750 per metric ton, almost a 50 percent increase since December 2008, demonstrating the volatility of prices in the current economic environment.

Over recent years Numar has experienced outstanding growth in sales and profitability principally as a result of favourable pricing conditions in the edible oil market and the investment that has expanded its production capacity. Numar has invested in new plantation development in accessible, cost efficient locations in Mexico and Nicaragua, the latter having a cost structure similar to Indonesia which is the World's lowest cost producer. Numar now controls over 65,000 acres of oil palm plantations spread across south east Costa Rica, Mexico and Nicaragua where its expansion has strengthened its presence and control and position ahead of the competition in Central America.

Numar's strengths include a dominant market share in all key products, an extensive distribution network, a low cost and high yield production base, high cost barriers to entry and a World-class seed and cloning development technology. The combination of Numar's high oil yield plantations and cost efficient extraction plants makes the crude palm oil it produces very competitive Worldwide compared with other vegetable oils. Numar's agricultural locations enjoy near optimal climate conditions and production yields are comparable to Malaysia which is one of the most efficient producers in the World.

Numar's operations include vertically integrated operations beginning with palm oil seeds and clones, plantations, extraction, refining, and selling and distribution of consumer branded products, including vegetable oils, margarine and other products such as coffee. Commodity type products such as crude palm oil are traded primarily in Mexico through international based pricing and finished consumer products are traded primarily in Costa Rica and Nicaragua. Numar also has a highly active seed research and production program. The seed produced by Numar under its ASD brand is of World-class quality in yield and disease resistance. Numar sells oil palm seed internationally, including to Indonesia which is the largest World producer of palm oil.

## **To the Board of Directors and Shareholders of BCB Holdings Limited**

We have audited the accompanying consolidated balance sheets of BCB Holdings Limited and its subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits of these consolidated financial statements in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BCB Holdings Limited and its subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Horwath Belize LLP*

**Horwath Belize, LLP**  
Belize City, Belize  
Central America  
June 3, 2009

# Consolidated statements of income

Year ended March 31	Notes	2009 \$m	2008 \$m
<b>Financial Services</b>			
Interest income		94.7	88.8
Interest expense	4	(43.2)	(33.1)
Net interest income		51.5	55.7
Provision for loan losses	9	(7.0)	(8.3)
Non-interest income	5	20.6	16.9
Non-interest expense	6	(19.5)	(18.3)
Operating income – Financial Services		45.6	46.0
Corporate expenses		(6.3)	(5.1)
Total operating income		39.3	40.9
Associates	12	23.1	19.2
Interest income		–	0.3
<b>Net income</b>		<b>62.4</b>	<b>60.4</b>
<b>Earnings per ordinary share (basic and diluted)</b>	7	<b>\$1.06</b>	<b>\$1.02</b>

# Consolidated statements of changes in shareholders' equity

	Share capital \$m	Treasury shares \$m	Retained earnings \$m	Total \$m
At March 31, 2007	0.6	(21.5)	248.9	228.0
Net income	–	–	60.4	60.4
At March 31, 2008	0.6	(21.5)	309.3	288.4
Purchase of treasury shares	–	(0.8)	–	(0.8)
Net income	–	–	62.4	62.4
<b>At March 31, 2009</b>	<b>0.6</b>	<b>(22.3)</b>	<b>371.7</b>	<b>350.0</b>

At March 31, 2009, retained earnings included non-distributable statutory reserves in The Belize Bank Limited and its fellow subsidiaries of \$15.2 million (2008 – \$5.2 million).

See accompanying notes which are an integral part of these consolidated financial statements

# Consolidated balance sheets

At March 31	Notes	2009 \$m	2008 \$m
<b>Assets</b>			
<b>Financial Services</b>			
Cash, cash equivalents and due from banks	8	47.5	43.9
Interest-bearing deposits with correspondent banks		84.5	127.1
Loans – net	9	876.5	761.1
Property, plant and equipment – net	10	16.8	17.0
Other assets	11	47.2	38.8
<b>Total Financial Services assets</b>		<b>1,072.5</b>	<b>987.9</b>
<b>Corporate</b>			
Cash and cash equivalents		0.2	0.2
Other current assets		0.5	0.4
Property, plant and equipment – net		0.1	0.1
Associates	12	97.0	79.2
<b>Total assets</b>		<b>1,170.3</b>	<b>1,067.8</b>
<b>Liabilities and shareholders' equity</b>			
<b>Financial Services</b>			
Deposits	13	646.9	641.1
Interest payable		8.9	7.9
Other liabilities		11.6	10.7
Long-term debt	14	146.7	114.3
<b>Total Financial Services liabilities</b>		<b>814.1</b>	<b>774.0</b>
<b>Corporate</b>			
Current liabilities		5.0	4.2
Long-term liabilities		1.2	1.2
<b>Total liabilities</b>		<b>820.3</b>	<b>779.4</b>
<b>Shareholders' equity:</b>			
Share capital (ordinary shares of no par value – 2009 and 2008 – 62,554,040)	16	0.6	0.6
Treasury shares	16	(22.3)	(21.5)
Retained earnings		371.7	309.3
<b>Total shareholders' equity</b>		<b>350.0</b>	<b>288.4</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,170.3</b>	<b>1,067.8</b>

See accompanying notes which are an integral part of these consolidated financial statements



# Consolidated statements of cash flows

Year ended March 31	2009 \$m	2008 \$m
<b>Cash flows from operating activities</b>		
Net income	62.4	60.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1.5	1.2
Provision for loan losses	7.0	8.3
Undistributed earnings of associates	(17.8)	(15.6)
Changes in assets and liabilities:		
Increase in interest payable	1.0	0.8
(Increase) decrease in other assets	(13.2)	1.1
Increase in other liabilities	1.7	6.8
Net cash provided by operating activities	42.6	63.0
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1.3)	(3.4)
Decrease (increase) in interest-bearing deposits with correspondent banks	42.6	(33.1)
Decrease in Government securities	4.7	-
Increase in loans to customers	(122.4)	(260.9)
Net cash utilized by investing activities	(76.4)	(297.4)
<b>Cash flows from financing activities</b>		
Increase in long-term debt	32.4	101.8
Decrease in short-term debt	-	(6.0)
Increase in deposits	5.8	136.3
Purchase of treasury shares	(0.8)	-
Net cash provided by financing activities	37.4	232.1
Net change in cash, cash equivalents and due from banks	3.6	(2.3)
Cash, cash equivalents and due from banks at beginning of year	44.1	46.4
<b>Cash, cash equivalents and due from banks at end of year</b>	<b>47.7</b>	<b>44.1</b>
Cash – financial services	47.5	43.9
Cash – corporate	0.2	0.2
	47.7	44.1

See accompanying notes which are an integral part of these consolidated financial statements

# Notes to the consolidated financial statements

## Note 1 – Description of business

### Introduction

BCB Holdings Limited (formally BB Holdings Limited) (“BCBH” or “the Company”) is a company incorporated in Belize. BCBH is a holding company with no independent business operations or assets other than its investment in its subsidiaries, associates, intercompany balances and holdings of cash and cash equivalents. BCBH’s businesses are conducted through its subsidiaries. In May 2009 the Company changed its name from BB Holdings Limited to BCB Holdings Limited with immediate effect. In February 2009, Belize Bank (Turks and Caicos) Limited changed its name to British Caribbean Bank Limited. In June 2009, Belize Bank International Limited changed its name to British Caribbean Bank International Limited.

### Financial services

The principal activity of BCBH and its subsidiaries (“the Group”) is the provision of financial services in Belize and the Turks and Caicos Islands. Financial services are provided principally through The Belize Bank Limited and British Caribbean Bank International Limited (both incorporated and operating in Belize) and British Caribbean Bank Limited (a company incorporated in the Turks and Caicos Islands).

### Associates

The Group’s equity investment comprises approximately 24.8 percent of Grupo Agroindustrial CB, S.A. and related companies (“Numar”), which have interests in agro-processing and distribution operations principally in Costa Rica.

## Note 2 – Summary of significant accounting policies

### Basis of consolidated financial statements

The consolidated financial statements have been prepared in United States dollars in accordance with generally accepted accounting principles in the United States (“GAAP”) and as described below. The preparation of consolidated financial statements in accordance with GAAP in the United States requires management to make extensive use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These management estimates include, among others, an allowance for doubtful receivables, asset impairments, and useful lives for depreciation and amortization, loss contingencies, and allowance for loan losses. Actual results could differ materially from those estimates.

### Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group. BCBH consolidates companies in which it owns or controls more than fifty percent of the voting shares. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the date of disposal. All significant intercompany balances and transactions have been eliminated in consolidation.

### Loans and interest income recognition

Loans are stated at the principal amount outstanding, net of unearned income and allowance for loan losses. Interest income is recorded on an accrual basis. When either the collectability of principal or interest is considered doubtful, or payment of principal or interest is ninety days or more past due, loans are placed on non-accrual status and previously accrued but unpaid interest is charged against current year interest income, unless the amounts are in the process of collection.

### Allowance for loan losses

The Group’s consideration as to the adequacy of the allowance to provide for probable loan losses is based on a continuing review of the loan portfolio and includes, but is not limited to, consideration of the actual loan loss experience, the present and prospective condition of each borrower and its related industry, general economic conditions prevailing from time to time, and the estimated fair value of the related collateral. This allowance does not represent future losses or serve as a substitute for specific allowances. Loans are charged off against allowance for loan losses when the amounts are deemed to be uncollectible.

The Group measures its estimates of impaired loans in accordance with Statement of Financial Accounting Standards No. 114 – Accounting by Creditors for Impairment of a Loan, as amended by Statement of Financial Accounting Standards No. 118 – Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures. Under the Bank’s accounting policy for loan loss provisioning, the Group evaluates the probability of an impairment loss when a loan is classified as non-accrual. An impairment loss is recognized and fully provided for if the recorded amount of the non-accrual loan exceeds the estimated fair value of the underlying collateral less costs to sell. The majority of the Group’s loan portfolio is fully collateralized. Interest income on impaired loans is recognized only when payments are received and the Company considers that the loan will remain performing.

### Currency translation

The reporting and functional currency of the Group is United States dollars. The results of subsidiaries and associates, which account in a functional currency other than United States dollars, are translated into United States dollars at the average rate of exchange for the year. The assets and liabilities of subsidiaries and associates which account in a functional currency other than United States dollars are translated into United States dollars at the rate of exchange ruling at the balance sheet date.

Gains and losses arising from currency transactions are included in the consolidated statements of income.

## Associates

For investments in which the Group owns or controls more than twenty percent of the voting shares, and over which it exerts significant influence over operating and financial policies, the equity method of accounting is used in the consolidated financial statements. The investment in associates is shown in the consolidated balance sheets as the Group's proportion of the underlying net assets of these companies plus any goodwill attributable to the acquisitions less any write-off required for a permanent diminution in value. The consolidated statements of income include the Group's share of net income of associates.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid instruments, with an original maturity of three months or less. As a result of the short-term maturity of these financial instruments, their carrying value is approximately equal to their fair market value.

## Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided to write off the cost of the assets over their estimated useful lives, using the straight-line method, over the following periods:

Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of lease
Motor vehicle	4 years
Fixtures, fittings and office equipment	3 to 10 years

The carrying value of property, plant and equipment is evaluated periodically in relation to the operating performance and future cash flows of the underlying businesses. Where, in the opinion of the Group, an impairment in the value of property plant and equipment has occurred, the amount of the impairment is recorded in the consolidated statements of income.

Repairs and maintenance costs are expensed as incurred. Gains and losses arising on the disposal of property, plant and equipment are included in the consolidated statements of income.

## Stock-based compensation

Stock-based employee compensation is accounted for under the fair value based method of accounting (note 16).

## Financial risk management

Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of cash, cash equivalents and due from banks and extensions of credit to customers. The Group places its cash, cash equivalents and due from banks only with financial institutions with a high internationally accepted credit rating.

The Group's portfolio credit risk is evaluated on a regular basis to ensure that concentrations of credit exposure do not result in unacceptable levels of risk. Credit limits, ongoing credit evaluations, and account-monitoring procedures are utilized to minimize the risk of loss.

## New accounting standards

Consideration will be given during fiscal 2010 to the implications, if any, of the following new and revised standards:

In December 2007, the FASB issued SFAS No. 141 (R), Business Combinations – a replacement of FASB No. 141 ("SFAS 141 (R)"). SFAS 141 (R) requires (a) a company to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at fair value as of the acquisition date; and (b) the acquirer to recognize contingent consideration at the acquisition date, among various other modifications to SFAS 141. SFAS 141 (R) also amends SFAS 109, Accounting for Income Taxes, to require the acquirer to recognize changes in the amount of its deferred tax benefits that are recognizable because of a business combination either in income from continuing operations in the period of the combination or directly in contributed capital, depending on the circumstances. SFAS 141 (R) must be applied prospectively to all business combinations for which the acquisition date occurs during fiscal years beginning on or after December 15, 2008, with the exception of the amendments to SFAS 109, which will also be applied to business combinations with acquisition dates prior to the effective date of this standard. Early adoption is prohibited. The impact of this standard is dependent upon the level of future acquisitions.

In December 2007, the FASB issued SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements – an amendment of ARB No. 51 ("SFAS 160"). SFAS 160 amends ARB 51 to establish accounting and reporting standards for the non-controlling interest in a subsidiary and the deconsolidation of a subsidiary, including: (a) changes the way the consolidated balance sheet and consolidated income statement are presented; (b) establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in a change of control or deconsolidation; (c) requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated; and (d) requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners of a subsidiary. The accounting provisions of SFAS 160 must be applied prospectively while the presentation and disclosure requirements must be applied retrospectively to provide comparability in the financial statements. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited.

# Notes to the consolidated financial statements

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133 ("SFAS 161"). SFAS 161 requires companies to provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk-related contingent features in their hedged positions. The statement also requires companies to disclose more information about the location and amounts of derivative instruments in financial statements; how derivatives and related hedges are accounted for under SFAS 133, Accounting for Derivative Instruments and Hedging Activities; and how the hedges affect the entity's financial position, financial performance and cash flows. SFAS 161 is effective for periods beginning after November 15, 2008. The Company will comply with the disclosure provisions of SFAS 161 to the extent it has entered into derivative transactions in the year of adoption.

## Note 3 – Segmental analysis

The Group is currently engaged in the provision of financial services principally in Belize and the Turks and Caicos Islands.

Year ended March 31	2009 \$m	2008 \$m
<b>Depreciation</b>		
Financial Services	1.4	1.2
Corporate	0.1	–
	1.5	1.2

Year ended March 31	2009 \$m	2008 \$m
<b>Capital expenditures</b>		
Financial Services	1.3	3.4
Corporate	–	–
	1.3	3.4

At March 31	2009 \$m	2008 \$m
<b>Total assets</b>		
Financial Services	1,072.5	987.9
Associates	97.0	79.2
Corporate	0.8	0.7
	1,170.3	1,067.8

## Note 4 – Interest expense

Year ended March 31	2009 \$m	2008 \$m
Interest on customer deposits	30.4	25.1
Interest on short-term debt	0.3	0.1
Interest on long-term debt	2.1	1.3
Interest on Series 1 Loan Notes	5.1	4.8
Interest on Series 2 Loan Notes	5.3	1.8
	43.2	33.1

## Note 5 – Non-interest income

Year ended March 31	2009 \$m	2008 \$m
Foreign exchange income and commissions	6.4	6.1
Customer service and letter of credit fees	2.3	2.1
Credit card fees	3.2	2.5
Other financial and related services	2.7	2.9
Other income	6.0	3.3
	20.6	16.9

## Note 6 – Non-interest expense

Year ended March 31	2009 \$m	2008 \$m
Salaries and benefits	8.7	8.6
Premises and equipment	3.0	2.7
Other expenses	7.8	7.0
	19.5	18.3

## Note 7 – Earnings per ordinary share

Basic and diluted earnings per ordinary share have been calculated on the net income attributable to ordinary shareholders and the weighted average number of ordinary shares in issue (net of treasury shares) in each year.

Year ended March 31	2009 \$m	2008 \$m
Net income	62.4	60.4
Weighted average number of shares (basic and diluted)	59,038,192	59,069,836

During the year ended March 31, 2009 and 2008 the weighted average effect of share options and warrants has been excluded from the calculation of diluted earnings per ordinary share, since they were anti-dilutive under the treasury method of earnings per share calculation (note 16).

## Note 8 – Cash, cash equivalents and due from banks

At March 31	2009 \$m	2008 \$m
Cash in hand	6.1	6.9
Balances with Central Bank of Belize	38.1	31.4
Amounts in the course of collection	3.3	5.6
	47.5	43.9

The Belize Bank Limited (the "Bank") is required to maintain an average minimum non-interest bearing deposit balance with the Central Bank of Belize equal to 10 percent of the average deposit liabilities of the Bank. At March 31, 2009, the actual amount was 12.0 percent. In addition, the Bank must maintain an average aggregate of approved liquid assets (which include the average minimum non-interest bearing deposit balance maintained with the Central Bank of Belize) equal to 23 percent of the average deposit liabilities of the Bank. At March 31, 2009, the actual amount was 25.4 percent.

# Notes to the consolidated financial statements

## Note 9 – Loans – net

At March 31	2009 \$m	2008 \$m
Loans (net of unearned income):		
Residential mortgage	54.6	52.8
Credit card	7.9	7.4
Other consumer	17.5	13.1
Commercial – real estate	436.9	363.4
Commercial – other	380.4	341.5
	<b>897.3</b>	<b>778.2</b>
Allowance for loan losses:		
Residential mortgage	(1.4)	(1.6)
Credit card	(0.2)	(0.2)
Other consumer	(2.2)	(0.6)
Commercial – real estate	(4.5)	(5.5)
Commercial – other	(12.5)	(9.2)
	<b>(20.8)</b>	<b>(17.1)</b>
Loans (net of unearned income and allowance for loan losses):		
Residential mortgage	53.2	51.2
Credit card	7.7	7.2
Other consumer	15.3	12.5
Commercial – real estate	432.4	357.9
Commercial – other	367.9	332.3
Loans (net of unearned income and allowance for loan losses)	<b>876.5</b>	<b>761.1</b>

Unearned income at March 31, 2009 amounted to \$4.8 million (2008 – \$3.9 million).

The maturity ranges of loans outstanding at March 31, 2009 are shown in the table below. All loans, other than consumer loans, are legally repayable on demand; however, they are disclosed below as if they run to their full maturity.

	Due in one year or less \$m	Due after one year through five years \$m	Due after five years \$m	Total \$m
Residential mortgage	4.8	18.0	31.8	54.6
Credit card	7.9	–	–	7.9
Other consumer	4.6	12.0	0.9	17.5
Commercial – real estate	118.4	157.3	161.2	436.9
Commercial – other	103.3	105.0	172.1	380.4
	<b>239.0</b>	<b>292.3</b>	<b>366.0</b>	<b>897.3</b>

Non-accrual loans at March 31, 2009 amounted to \$130.9 million (2008 – \$41.3 million). The interest income which would have been recorded during the year ended March 31, 2009 had all non-accrual loans been current in accordance with their terms was approximately \$10.0 million (2008 – \$1.5 million).

At March 31, 2009, the amount of impaired loans outstanding in which the Group considers that there was a probability of a loss totaled \$47.9 million (2008 – \$18.2 million), with related allowances, after taking into consideration related collateral, of \$11.7 million (2008 – \$8.1 million). There were no impaired loans without allowances. The average amount of loans outstanding in which the Group considers there was a probability of a loss during the year ended March 31, 2009 was \$29.4 million (2008 – 7.6 million). Interest is not recognized on any loan classified as non-accrual.

As a result of the nature of these financial instruments, the estimated fair market value of the loan portfolio is considered by the Group to approximate its carrying value. Loan loss provisioning is based on management's estimate of the recoverability of non-performing loans after allowing for the estimated net realizable value of collateral held. In addition, a general allowance of 1 percent of all performing loans is required by the Banking and Financial Institutions Act to be maintained by commercial banks operating in Belize. This extends to the Bank's fellow subsidiary, British Caribbean Bank Limited, in TCI.

At March 31, 2009, the Group had total loans outstanding to certain officers and employees of \$8.4 million (2008 – \$6.1 million) at preferential rates of interest varying between 4.0 percent and 10.9 percent per annum, repayable over varying periods not exceeding 25 years. At March 31, 2009, these loans included \$0.4 million (2008 – \$0.4 million) classified within commercial – other loans.

At March 31, 2009, the Group held 386,948 ordinary shares of BCBH as collateral for certain loans provided.

Changes in the allowance for loan losses were as follows:

Year ended March 31	2009 \$m	2008 \$m
At beginning of year	17.1	9.0
Provision charged to income	7.0	8.3
Charge-offs	(3.3)	(0.2)
Net movement in year	3.7	8.1
At end of year	<b>20.8</b>	<b>17.1</b>

Recoveries from loan losses have been immaterial to date. At March 31, 2009, the allowance for loan losses included a general loan loss allowance of \$9.1 million (2008 – \$9.1 million)

# Notes to the consolidated financial statements

## Note 10 – Property, plant and equipment – net

At March 31	2009 \$m	2008 \$m
Cost:		
Land and buildings	15.1	15.1
Fixtures, fittings and office equipment	10.2	9.4
Total cost	25.3	24.5
Less: total accumulated depreciation	(8.5)	(7.5)
	16.8	17.0

Total capital expenditures for the years ended March 31, 2009 and 2008 were \$1.3 million and \$3.4 million, respectively. Total depreciation expense for the years ended March 31, 2009 and 2008 was \$1.5 million and \$1.2 million, respectively.

## Note 11 – Other assets

At March 31	2009 \$m	2008 \$m
Short-term investments (i)	10.3	18.0
Investment in associate (ii)	7.4	7.3
Amounts recoverable from		
Government of Belize (iii & iv)	18.3	1.4
Accrued interest receivable	4.3	4.6
Other assets	6.9	7.5
	47.2	38.8

(i) At 31 March 2009, BCBH held investments of \$2.4 million in annuities issued by CLICO Trinidad maturing in December 2009. During 2008, CLICO's investment portfolios became materially impaired as a result of the global financial crisis resulting in some of its branches being placed under court supervision. Based on assurances given in public announcements on the financial position of CLICO by the Government of Trinidad and Tobago in which it was stated CLICO's obligations would be met in full, the Company expects to recover the investment and no provision against recovery has been made.

(ii) The Group owns a non-controlling, 50.0 percent interest in the equity of Belize International Services Limited ("BISL"). BISL is a holding company incorporated in the British Virgin Islands which provides financial and other services. The share of net income amounted to \$1.7 million for the year ended March 31, 2009 (2008 – \$1.6 million) and is included in Non-interest income – other income (note 5).

(iii) Government Guarantee: In January 2008, the Bank reached a settlement with the Government of Belize (the "Government") concerning a debt owed to the Bank by Universal Health Services Company Limited (the "2008 Settlement Agreement"). This debt was guaranteed by the Government. By the Bank having been required by the Central Bank of Belize to credit the account of the Government with monies received from the Venezuelan Government, the Government is in breach of its legal obligation under the 2008 Settlement Agreement, and the Bank is entitled to damages resulting from the Government's breach. The Bank is vigorously pursuing its claims against the Government through the Appeals Board in Belize and through arbitration in London and, having received the advice of external advisers, expects to recover its claims in full.

(iv) Tax Assessments: In October 2008, the Bank and BCBH commenced arbitration against the Government seeking damages for the repudiation by the Government of a settlement deed which they entered into with the Government on March 22, 2005 and which was subsequently amended by deed on June 21, 2006 (together the "Settlement Deed"). Both the Bank and BCBH are vigorously pursuing their claims against the Government pursuant to the Settlement Deed through arbitration in London and, having received the advice of external advisers, expect to recover their claims in full.

## Note 12 – Associates

At March 31	2009 \$m	2008 \$m
Investments in associates		
Numar	97.0	79.2
Year ended March 31	2009 \$m	2008 \$m
Share of associates' earnings:		
Numar	23.1	19.2
Total dividends receivable during the year	5.3	3.6

Associates comprise companies in respect of which fair market values are not readily available, but they are considered by the Group to exceed the carrying amounts.

At March 31, 2009, the accumulated undistributed earnings of associates included in the consolidated retained earnings of the Group amounted to \$78.7 million (2008 – \$60.9 million).

Summarized combined unaudited financial information for Numar was as follows:

Year ended March 31	2009 \$m	2008 \$m
Net sales	518.5	422.1
Gross profit	156.8	128.7
Income from continuing operations	108.6	89.1
Net income	95.6	79.1
At March 31	2009 \$m	2008 \$m
Current assets	262.5	216.5
Non-current assets	223.3	217.5
Current liabilities	68.8	82.0
Non-current liabilities	31.5	37.8

# Notes to the consolidated financial statements

## Note 13 – Deposits

At March 31	2009 \$m	2008 \$m
Certificates of deposit	433.1	370.4
Demand deposits	155.7	211.8
Savings deposits	58.1	58.9
	<b>646.9</b>	<b>641.1</b>

The maturity distribution of certificates of deposit of \$0.1 million or more was as follows:

At March 31	2009 \$m	2008 \$m
3 months or less	220.4	134.9
Over 3 and to 6 months	40.0	63.7
Over 6 and to 12 months	107.0	129.9
Deposits less than \$0.1 million	65.7	41.9
	<b>433.1</b>	<b>370.4</b>

Included in certificates of deposit at March 31, 2009 were \$196.4 million (2008 – \$194.2 million) of certificates of deposit denominated in US dollars and \$39.6 million (2008 – \$6.2 million) denominated in UK pounds sterling. Included in demand deposits at March 31, 2009 were \$107.3 million (2008 – \$121.5 million) of demand deposits denominated in US dollars and \$5.5 million (2008 – \$16.0 million) denominated in UK pounds sterling.

As a result of the short-term maturity of these financial instruments, their carrying value is considered by the Group to approximately equal their fair market value.

## Note 14 – Long-term debt

At March 31	2009 \$m	2008 \$m
Series 1 Loan Notes (i)	54.6	50.0
Series 2 Loan Notes (ii)	57.1	51.8
Other Long-Term Notes (iii)	35.0	12.5
	<b>146.7</b>	<b>114.3</b>

(i) In April 2007 BCBH carried out a placement of US\$50,000,000 10 percent fixed rate, unsecured, loan notes with a maturity date of April 23, 2013 (the “Series 1 Loan Notes”), together with 7,692,308 warrants to subscribe for new ordinary shares of the Company at an exercise price of US\$6.50 per new ordinary share, until April 23, 2013 (the “Series 1 Warrants”).

(ii) In November 2007 BCBH carried out a further placement of US\$50,000,000 10 percent fixed rate, unsecured, loan notes with a maturity date of November 2, 2014 (the “Series 2 Loan Notes”), together with 11,094,442 warrants to subscribe for new ordinary shares of the Company at an exercise price of US\$6.50 per new ordinary share, until November 2, 2014 (the “Series 2 Warrants”).

The Series 1 and Series 2 Loan Notes and Warrants were offered to placees, each of whom was an existing investor in BCBH. Both placings were fully subscribed and raised in aggregate US\$100,000,000, gross of fees and expenses. The entire proceeds of the placings were used by the Company to further capitalize British Caribbean Bank Limited in order to increase the capital base and strength of that bank.

Prior to both placings, Lord Ashcroft, who at the time owned or controlled approximately 71.8 percent of the Company’s issued ordinary shares, agreed to subscribe for, or procure others to subscribe for, any loan notes and warrants not taken up by placees.

Agrigento Holdings Limited (“Agrigento”), a company beneficially owned by Lord Ashcroft participated in the placing of the Series 1 Loan Notes and the Series 2 Loan Notes. As a consequence, Agrigento is the beneficial owner of \$46,724,000 Series 1 Loan Notes and 7,188,308 related warrants and is the beneficial owner of \$47,200,000 Series 2 Loan Notes and 10,473,155 related warrants.

Interest on the Series 1 Loan Notes accrues daily at the rate of 10 percent per annum and is payable semi-annually on April 1 and October 1 in each year.

Interest on the Series 2 Loan Notes accrues daily at the rate of 10 percent per annum and is compounded semi-annually on May 1 and November 1 in each year and added to the principal amount.

On March 31, 2008, the Board of Directors of the Company approved the purchase of Agrigento’s 10 percent fixed rate Unsecured Series 1 Loan Notes, which was for a nominal amount of \$46,724,000. Following the purchase of these Series 1 Loan Notes by the Company on April 1, 2008, Agrigento agreed to immediately re-lend the proceeds to the Company in consideration of the issue by the Company to Agrigento of a new loan note on the same terms and conditions with the exception of the interest payable (the “New Series 1 Loan Note”). With effect from April 1, 2008, interest on the New Series 1 Loan Note held by Agrigento accrues daily at the rate of 10 percent per annum and is compounded semi annually on April 1 and October 1 in each year and added to the principal amount.

The remaining Series 1 Loan Notes, the Series 2 Loan Notes and the New Series 1 Loan Note are included in Financial Services division long-term debt as the entire proceeds of \$100.0 million were used to fund the operations of Financial Services.

(iii) At March 31, 2008 Other Long-Term Notes consisted of five separate unsecured loan notes each with a value of \$2.5 million, with interest payable at 10 percent per annum and maturing in tranches of \$2.5 million in each of the years 2009, 2010, 2011, 2012 and 2013. During the year ended March 31, 2009 these five notes were redeemed at par. During the year the Bank issued new unsecured loan notes in the amount of \$35.0 million bearing interest at 10 percent per annum payable annually in arrears with a maturity date of 2013.

# Notes to the consolidated financial statements

## Note 15 – Commitments and contingencies

(i) The Group's loans due from customers primarily result from its core business and reflect a broad customer base, although there are certain concentrations by economic activity. Credit limit, ongoing credit evaluations and account monitoring procedures are utilized to minimize the risk of loss. Substantially all of the Group's loan portfolio is fully collateralized. As a consequence, concentrations of credit risk are considered to be limited.

The Group has foreign exchange risk which arises from accepting foreign currency deposits, primarily with respect to UK pounds sterling. To manage its foreign exchange risk related to UK pounds sterling deposits, the Group closely monitors the performance of UK pounds sterling and relies on its treasury management to eliminate any UK pounds sterling exposure at short notice if necessary.

(ii) The Group is a party to financial instruments with off-balance-sheet risks in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and financial guarantees. The Group grants short-term credit facilities to customers for periods of up to twelve months generally to meet customers' working capital requirements. These facilities are repayable on demand and are subject to review at any time. In practice, such reviews are carried out at periodic intervals agreed with the customer. Outstanding commitments to extend credit at March 31, 2009 amounted to \$25.0 million (2008 – \$29.9 million).

Since many of the commitments are expected to expire without being drawn upon in full, and because of the fluctuating aspect of the facilities, the total commitment amounts do not necessarily represent future cash requirements. The Group evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral required by the Group for the extension of credit is based on the Bank's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties and assets.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. The terms of such guarantees do not normally exceed more than one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The terms and conditions reflected in letters of credit and guarantees provided by the Group, in so far as they may impact the fair market value of these instruments, are market sensitive and are not materially different from those that would have been negotiated at March 31, 2009. The Group holds similar collateral to that held for the short-term facilities described above and such commitments are generally fully collateralized. Outstanding standby letters of credit and financial guarantees written at March 31, 2009 amounted to \$24.8 million (2008 – \$12.9 million).

(iii) The net operating lease rental charge for the years ended March 31, 2009 and 2008 included in the consolidated statements of income was \$0.2 million and \$0.2 million, respectively.

(iv) At March 31, 2009, the Group is a defendant in a number of pending legal and other proceedings incidental to present and former operations, acquisitions and dispositions. The Group does not expect the outcome of these proceedings, either individually or in the aggregate, to have a material adverse effect on the consolidated financial position of the Group.

(v) As explained in note 11, BCBH and the Bank are engaged in arbitration proceedings in which they are vigorously pursuing certain claims against the Government. The information required by SFAS No. 5 Accounting for Contingencies is not disclosed because BCBH believes that to do so could materially prejudice the proceedings. BCBH and the Bank, having received the advice of external advisers, expect to fully recover amounts recorded as part of other assets in note 11. Therefore no provision against recovery has been made. Legal costs are expensed as incurred.

## Note 16 – Share capital

At March 31	2009 \$m	2008 \$m
Authorized		
Ordinary shares:		
100,000,000 shares of no par value		
Preference shares:		
14,000,000 shares of \$1.00 each	14.0	14.0
<b>Total authorized</b>	<b>14.0</b>	<b>14.0</b>
Issued and outstanding		
Ordinary shares:		
62,554,040 shares of no par value (2008 – 62,554,040)	0.6	0.6

During the two years ended March 31, 2009, there was no movement in authorized and issued and outstanding shares.

On April 6, 2009, the Company announced that it had agreed the terms of the acquisition by BCBH of the entire issued share capital of Cockleshell Limited ("Cockleshell"), a company listed on the Alternative Investment Market of the London Stock Exchange ("AIM") and whose sole asset was approximately \$52.4 million in cash. The acquisition of Cockleshell was implemented pursuant to the terms of a merger of BCBH and Cockleshell in accordance with Part VII of the International Business Companies Act of Belize. By way of consideration for the merger, Cockleshell shareholders were allotted and issued new BCBH Shares on the basis of 0.916 BCBH Shares for every Cockleshell share registered in their name on the record date. In connection with the acquisition of Cockleshell the company issued 41,088,934 ordinary shares to the shareholders of Cockleshell.



# Notes to the consolidated financial statements

All BCBH Shares were issued credited as fully paid to Cockleshell shareholders and rank pari passu in all respects with the BCBH Shares in issue at the time that the new BCBH Shares were allotted and issued, including the right to receive and retain dividends and other distributions declared made or paid after the effective date of the merger. The new BCBH Shares were admitted to trading on AIM on May 8, 2009 and dealings in the new BCBH Shares commenced on that date.

## Treasury shares

The movement in treasury shares, at cost, held since April 1, 2007 has been as follows:

	Number	\$m
At April 1, 2007	3,484,204	21.5
At March 31, 2008	3,484,204	21.5
Purchase	262,500	0.8
<b>At March 31, 2009</b>	<b>3,746,704</b>	<b>22.3</b>

## Share consolidation and purchase of Treasury Shares

In December 2008, the Company approved a consolidation and reorganization of its share capital whereby holders of less than 250 ordinary shares in the Company were made a cash payment equal to the current market value of their shares for their entire shareholding. The consolidation was implemented on February 6, 2009 at which time every 250 ordinary shares of no par value was consolidated into one consolidated ordinary share of no par value (each a "Consolidated Ordinary Share"). Following the consolidation, resulting fractions of the Consolidated Ordinary Shares were aggregated and purchased by the Company with the proceeds being remitted to the relevant shareholders. After the consolidation and the purchase of the fractions of shares arising, every Consolidated Ordinary Share was then subdivided into 250 new ordinary shares of no par value (each a "New Ordinary Share"). The shares purchased into Treasury as a result of the consolidation amounted to 262,500 ordinary shares at an average purchase price of \$2.86 per share.

## Share options

BCBH has granted employee share options which are issued under a number of fixed share option plans and schemes which reserve ordinary shares for issuance to the Company's executives, officers and key employees. The majority of options have been granted under the Long-Term Incentive Plans (the "Incentive Plans"). The Incentive Plans are administered by a committee of the board of directors of BCBH. Options are generally granted to purchase BCBH ordinary shares at prices which equate to or are above the market price of the ordinary shares on the date the option is granted. Conditions of vesting are determined at the time of grant but options are generally vested and become exercisable for a period of between three and ten years from the date of grant and all have a maximum term of ten years.

	Number of share options	Weighted average exercise price
Outstanding at April 1, 2007	2,000,000	\$6.50
Outstanding at March 31, 2008	2,000,000	\$6.50
Cancelled – fiscal 2009	2,000,000	
Issued – fiscal 2009	7,000,000	\$6.50
<b>Outstanding at March 31, 2009</b>	<b>7,000,000</b>	<b>\$6.50</b>

At March 31, 2009, no outstanding options were exercisable.

In May 2006, BCBH granted options over 2,000,000 ordinary shares at an exercise price of \$6.50 per share which vest in two tranches as to 500,000 on or after February 2010 and 1,500,000 shares on or after March 2011. These options were cancelled in August 2008.

In August 2008, BCBH granted options over 7,000,000 ordinary shares at an exercise price of \$6.50 per share which vest and become exercisable in three equal installments on August 1, 2012, August 1, 2013 and August 1, 2014. These options lapse on August 1, 2015.

Statement of Financial Accounting Standards No. 123 – Accounting for Stock-Based Compensation ("SFAS 123"), as amended by SFAS 148, allows companies to measure compensation cost in connection with share option plans and schemes using a fair value based method. Using the fair value based method consistent with the provisions of SFAS 123, the Group has taken a charge of \$1.0 million in the consolidated income statement during the year ended March 31, 2009 (2008 – \$0.2 million).

The fair value of each option grant in 2006 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected stock price volatility	18 percent
Risk free interest rate	5.1 percent
Expected dividend yield	Nil percent
Expected life of option	4.5 years

The fair value of each option grant in 2008 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected stock price volatility	20 percent
Risk free interest rate	3.7 percent
Expected dividend yield	Nil percent
Expected life of option	5.0 years

# Notes to the consolidated financial statements

## Note 17 – Regulatory capital requirements

The regulatory capital guidelines measure capital in relation to the credit and market risks of both off- and on-balance sheet items by applying various risk weighting. The following table set forth the capital requirements and the actual ratios of the Group.

	Minimum required	Actual 2009	Actual 2008
The Belize Bank Limited	9.0%	19.9%	22.7%
British Caribbean Bank International Limited	10.0%	17.8%	15.9%
British Caribbean Bank Limited	11.0%	37.8%	36.5%

## Note 18 – Pensions and other plans

The Group operates various defined contribution pension plans in Belize which cover a number of salaried employees. In general, the plans provide benefits at normal retirement age based on a participant's individual accumulated fund including any additional voluntary contributions. The Group's pension contribution expense for the years ended March 31, 2009 and 2008 amounted to \$69,705 and \$58,024 respectively.

## Note 19 – Related party transactions

### Business and administrative services

By an agreement dated February 7, 2006, between BCBH and One Source Services Inc. ("OSI") and a separate agreement dated August 8, 2005 between BCBH and Carlisle Group Limited ("CGL"), each of BCBH and OSI and BCBH and CGL agreed to provide, or procure the provision by their respective subsidiaries of, certain business and administrative services to the other party and its subsidiaries as reasonably requested from time to time by the other party or its subsidiaries. Fees are payable on commercial arm's length terms and include the recovery of expenses. Under the terms of these agreements BCBH received management fees of \$nil from CGL and \$nil from OSI during the year ended March 31, 2009 (2008 – \$0.3 million and \$0.4 million from CGL and OSI respectively). Both agreements have now expired or been cancelled.

### Loan

In March 2007, BCBH issued an unsecured, interest bearing, promissory note in the amount of \$6.0 million to Agrigento. The promissory note, including accrued interest amounting to \$31,233 calculated at the prescribed rate of 10 percent per annum, was repaid in full to Agrigento on April 16, 2007 in accordance with its terms.

### Consultancy services

During the year the Group utilized the consultancy services of Bearwood Services Limited ("Bearwood"), a United Kingdom company in which Lord Ashcroft has an interest. The aggregate fees paid to Bearwood by the Company for the year ended March 31, 2009 amounted to \$0.3 million (2008 – \$0.9 million).

## Note 20 – Fair value of financial instruments

The amounts reported in the balance sheets for cash and due from banks and interest-bearing deposits approximate fair value due to the short-term maturity of these instruments. The Group places its cash and cash equivalent deposits only with financial institutions with a high internationally accepted credit rating.

The carrying amounts of securities are estimated to approximate fair value given the market-sensitive interest rates, maturity terms, and market price of these instruments.

The carrying amounts of loans receivable, net of valuation allowances, is estimated to approximate fair value based on their respective interest rates, risk-related rate spreads and collateral consideration. These facilities are payable on demand and are subject to review at the discretion of the Group.

The fair value of the Group's deposit liabilities approximates carrying values based on comparative rates offered by other banks for deposits of similar remaining maturities.

The carrying amount of long-term debt is a reasonable estimate of fair value based on the Group's incremental rates for equivalent types of financing arrangements.

Accrued expenses and other liabilities reflect current market conditions.

With regards to financial instrument with off-balance sheet risk, it is not practicable to estimate the fair value of future financing commitments. However, the terms and conditions reflected in acceptances and commitments for financing assistance are market-sensitive and are not materially different from those that would have been negotiated as of March 31, 2009.

In the opinion of the Group's management, all other financial instruments reflect current market conditions and their fair value is not expected to differ materially from carrying amounts.

## Board of Directors – BCB Holdings Limited

### **Lord Ashcroft, KCMG** Executive Chairman (Belizean)

Lord Ashcroft has been the Executive Chairman of BCBH since 1987. Formerly, Lord Ashcroft was the Chairman and Chief Executive Officer of ADT Limited (1977 to 1997). He is also the Chairman of Trustees for a number of charities – Michael A. Ashcroft Foundation, Crimestoppers and Prospect Education (Technology) Trust. He was Belize's Permanent Representative to the United Nations from 1998 until April 2000. Lord Ashcroft was a former Treasurer of the Conservative Party in the United Kingdom from 1998 to 2001. He was appointed to the Board of the Conservative Party in the United Kingdom in May 2005 and in December 2005 he became a Deputy Chairman. He is currently Treasurer of the International Democrat Union. In March 2000, he was appointed a life peer in the British House of Lords and in June 2000 he was awarded a Knighthood (KCMG – Knight Commander of the Order of St. Michael and St. George) for public service to the community and country of Belize. In November 2001, he was invested as Chancellor of Anglia Ruskin University (ARU) in the United Kingdom. Lord Ashcroft is also a British citizen and a Belonger of the Turks and Caicos Islands.

### **Dr. Euric Bobb** Non Executive Director (Trinidadian)

Dr. Bobb holds an Economics Degree and Doctorate from Cambridge University. In 1969 Dr. Bobb joined the World Bank as an economist and later served as Governor of the Central Bank of Trinidad and Tobago from October 1984 to February 1988. In 1988 Dr. Bobb joined the Inter-American Development Bank in Washington where he served in various capacities including Chief of Staff to the President. Dr. Bobb was awarded the Chaconia Medal (gold), the second highest honour for service to Trinidad and Tobago in 1994. Dr. Bobb is the Deputy Chairman of The Belize Bank Limited. Dr. Bobb is also Chairman of the Audit Committee and has been a director of BCBH since November 2008.

### **Peter Gaze** Chief Financial Officer (British)

Peter Gaze has been a director of BCBH since March 2007 and the Chief Financial Officer of BCBH since 1998. He is also a member of the Executive Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales, having trained with the international accounting firm of PricewaterhouseCoopers in London. Prior to joining BCBH, he was the Group Financial Controller of ADT Limited from 1990 to 1997.

### **Lyndon Guiseppi** Chief Executive Officer (Trinidadian)

Mr. Guiseppi was appointed as the Chief Executive Officer and as a director of BCBH in July 2008. Prior to joining BCBH, Mr. Guiseppi held the position of Managing Director of RBTT Merchant Bank. Mr. Guiseppi holds an M.Sc in Economics from the University of the West Indies. Mr. Guiseppi is also a director of the Caribbean News Media Group. Mr. Guiseppi is the Chairman of The Belize Bank Limited and a director of British Caribbean Bank International Limited.

### **Philip Johnson** Deputy Chairman (Belizean)

Philip Johnson was appointed Deputy Chairman of BCBH in July 2008 having previously been Chief Executive Officer of BCBH. Mr. Johnson is currently President of The Belize Bank Limited, a position he has held since 1995. He is also a member of the Executive Committee. Prior to joining the Bank, Mr. Johnson spent over 10 years in a variety of commercial roles, including over 7 years with Lonrho PLC, having previously qualified as a Chartered Accountant. Mr. Johnson is also a British citizen. Mr. Johnson is a director of British Caribbean Bank Limited and British Caribbean Bank International Limited.

### **Wendell Mottley** Non Executive Director (Trinidadian)

Wendell Mottley holds a degree in economics from Yale University and a Masters in Economics from Cambridge University. Mr. Mottley was in government service in Trinidad from 1981 to 1995 where his positions included Minister of Housing, Minister of Industry and Commerce and Minister of Finance. As Minister of Finance Mr. Mottley was responsible for the successful flotation of the Trinidad and Tobago dollar. In 1996, Mr. Mottley joined Credit Suisse New York and served there as an investment banker in various positions for 15 years, his last position being Managing Director. Mr. Mottley is a former board member and a current member of the World Wildlife Fund; a member of the Asa Wright Beard Foundation, the leading environmental group in the Caribbean, and a member of the Leadership Council of Yale University's School of Forestry and the Environment. Mr. Mottley also represented Trinidad at the 1964 Olympic Games where he was the winner of silver and bronze medals. Mr. Mottley has been a director of BCBH since July 2009.

### **Philip Osborne** Director and Company Secretary (British)

Philip Osborne has been Company Secretary of BCBH since 1993 and a director of BCBH since February 2007. Mr. Osborne is a solicitor and a member of the Law Society of England and Wales. Before joining BCBH, Mr. Osborne worked as a legal adviser to the London Stock Exchange and The Securities Association in the United Kingdom and for the international law firms of Clifford Chance and S.J. Berwin & Co. He is also a member of the Belize Bar Association.

### **Cheryl Jones** Non Executive Director (American)

Cheryl Jones has been a director of BCBH since 2003. Ms. Jones is currently Chairman of Impellam Group plc. Ms. Jones was Chief Executive Officer of OneSource Services Inc. from 2006 to 2007 and Chairman and Chief Executive Officer of OneSource Holdings, Inc. from 2003 to 2007. Prior to joining OneSource, Ms. Jones served as Senior Vice President of National Linen Service, a subsidiary of National Service Industries, Inc. where she held a variety of senior management positions from 1994 to 2001. Ms. Jones is a director of The Belize Bank Limited and British Caribbean Bank International Limited. Ms. Jones is also a member of the Audit Committee.

### **John Searle** Non Executive Director (Belizean)

John Searle has been a Non Executive Director of BCBH since 1987. He is also a member of the Audit Committee. Mr. Searle is Chairman and Managing Director of Belize Global Travel Services Limited, which carries on the business of a travel agency and tourism. Mr. Searle is a director of The Belize Bank Limited and British Caribbean Bank International Limited.

# Directors and Officers

## Directors and Officers of the Financial Services Division

### **Hon. Andrew Ashcroft**

#### **Managing Director – British Caribbean Bank Limited**

Andrew Ashcroft joined Belize Bank in May 2002. After an initial period in the Belize Bank head office, Mr. Ashcroft transferred to Turks and Caicos to become the Managing Director. He is a graduate in International Business and has a Professional Diploma in Financial Services Management from an affiliate of the University of Manchester. He is also The Honorary Consul for Panama in Belize and a Vice Chairman of International Young Democrat Union.

### **Jose Cardona**

#### **Executive Director – The Belize Bank Limited, Vice President of Electronic Banking**

Jose Cardona joined the Royal Bank of Canada in 1981 and remained with the bank when it became Belize Bank in 1987. He has over 20 years of experience in Belize Bank's operations. He has worked in the computer operations department since 1988, assuming overall management of Information Technology Systems since 1995. Mr. Cardona is also a Justice of the Peace in Belize.

### **Michael Castillo**

#### **Executive Director – The Belize Bank Limited, Branch Manager, San Pedro**

Michael Castillo has a banking career dating back to 1978 under the Royal Bank of Canada. He served as manager of Belize Bank San Ignacio Branch for 11 years and has been managing the Belize Bank San Pedro Branch for the past 9 years.

### **Christopher Coye**

#### **Executive Director – British Caribbean Bank International Limited Director – The Belize Bank Limited**

Christopher Coye is a specialist in international financial services. A former economist at the Central Bank of Belize and a trained attorney, Mr. Coye brings the bank his experience and expertise from his years in private practice in commercial and banking law.

### **Michael Coye**

#### **Executive Director – The Belize Bank Limited, Vice President of Finance Director – British Caribbean Bank Limited**

Michael Coye is a member of the Institute of Chartered Accountants of Belize and the American Institute of Certified Public Accountants. He has been with Belize Bank for 15 years. Prior to joining Belize Bank, he was employed as a Senior Auditor with PricewaterhouseCoopers.

### **Geraldine Davis Young**

#### **Non Executive Director – The Belize Bank Limited**

Geraldine Davis Young has a Masters in Public Administration and a Certificate in International Taxation from Harvard University. Ms. Davis Young holds a certificate as an anti money laundering specialist from the United States and has extensive training and experience in international money laundering matters. Ms. Davis Young was the Director of the Financial Intelligence Unit (Belize) between 2006 and 2008. Prior to this Ms. Davis Young held various senior positions in the Ministry of Finance of Belize, mainly in the areas of income tax and inland revenue matters. Ms. Davis Young has been a lecturer on Taxation at the University of Belize since 1993.

### **Stanley Lightbourne**

#### **Director – British Caribbean Bank Limited**

Stanley "Sandy" Lightbourne is a banking professional with over 35 years of experience in various management positions in international banking. Early in his career Mr. Lightbourne was in Turks and Caicos government service and then served 7 years in the British Army. Mr. Lightbourne was with Barclays Bank from 1971 to 1999 during which time he gained experience in all areas of banking in various management positions. Mr. Lightbourne has been a director of British Caribbean Bank Limited since 1999. He was a director of the Turks and Caicos Financial Services Commission between 2002 to 2006 and has been Chairman since 2007.

### **Martin Marshalleck**

#### **Executive Director – The Belize Bank Limited**

Martin Marshalleck has been in banking for over 20 years. For the past 8 years, he has held senior positions with both a local and an international bank in Belize.

### **Efrain Martin**

#### **Executive Director – The Belize Bank Limited, Branch Manager, Orange Walk**

Efrain Martin began his 40 year banking career with the Royal Bank of Canada and in 1987 joined Belize Bank. During the last 12 years he has been the Area Manager for Northern Belize with supervision of the Orange Walk Town, Corozal Town and the Corozal Freezone and the Corozal Border Service branches.

### **Louis Swasey**

#### **Executive Director – The Belize Bank Limited, Senior Vice President Director – British Caribbean Bank International Limited**

Louis Swasey heads the Domestic Operations of Belize Bank and has 40 years of banking experience. He previously worked with the Royal Bank of Canada where he held various senior positions and completed extensive training both in Belize and abroad.

# Shareholder information

## Market Information

BCB Holdings Limited ordinary shares are currently traded on the Alternative Investment Market of the London Stock Exchange in the United Kingdom ('AIM') under the symbol 'BCB'.

## Company Websites

[www.bcbholdingslimited.com](http://www.bcbholdingslimited.com)  
[www.belizebank.com](http://www.belizebank.com)

## Registered Office

60 Market Square  
P.O. Box 1764  
Belize City  
Belize  
Central America  
Tel: (501) 227 7132

## Registrar and Transfer Agent

Capital IRG (Offshore) Limited  
Victoria Chambers  
Liberation Square  
1/3 The Esplanade  
St Helier  
Jersey  
Channel Islands  
Tel: (44) 870 162 3100

## Co-Registrar

The Belize Bank Limited  
60 Market Square  
P.O. Box 364  
Belize City  
Belize  
Central America  
Tel: (501) 227 7132

## Investor Information

Makinson Cowell (US) Limited  
One Penn Plaza  
250 W. 34th St., Suite 1935  
New York  
New York 10119  
United States  
Tel: (1) 212 994 9044  
E-mail: [inquiries@makinson-cowell.com](mailto:inquiries@makinson-cowell.com)

## Nominated Advisor

(for AIM in the UK)  
Cenkos Securities Limited  
6.7.8 Tokenhouse Yard  
London EC2R 7AS  
United Kingdom  
Tel: (44) 20 7397 8900

## Broker

(for AIM in the UK)  
Fyshe Horton Finney Limited  
Charles House  
148 – 149 Great Charles Street  
Birmingham B3 3HT  
United Kingdom  
Tel: (44) 121 236 3111

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