

A MESSAGE FROM THE CHAIRMAN, MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT

The year 2008 was marked by a global financial crisis causing significant economic challenges for the United States, other leading industrial nations and the world at large. In the U.S., the year ended with the economy growing by 1.1 percent compared to 2 percent in 2007. In the 4th Quarter of the year, U.S. GDP suffered a decline of 6.3 percent over the prior period, the steepest decline in 25 years.

The Netherlands Antilles were largely shielded from the turmoil thanks mainly to the wise supervision of the Bank of the Netherlands Antilles directing the inherent conservatism of the Antillean banks. However, as we depend for much of our islands' economic growth on external factors, we cannot expect to remain immune if the global economic downturn continues and, even more so, if it accelerates.

Beyond these important global developments, our financial services Group observed the following events in the course of the year.

- We celebrated 60 years of insurance and 35 years of banking services to our island communities.
- The Group's Aruban operations were converted from branches to autonomous subsidiaries. Banco di Caribe (Aruba) N.V., opened its doors on October 31, 2008 with an initial capitalization of ANG 100 million. Herbert Ignacio, a veteran of more than thirty years in the banking industry, and Willem Lacle were named Managing Directors, responsible to a Board of Supervisory Directors under the Chairmanship of Richard Gibson, with Olindo Koolman, formerly the Governor General of Aruba, Fons Simon, Dito de Kort, and Percy Virginia.
- Two new insurance operating companies, ENNIA Caribe Schade (Aruba) N.V. and ENNIA Caribe Leven (Aruba) N.V. were established on November 28th and December 19th, 2008, respectively, as wholly-owned subsidiaries of ENNIA Caribe Holding (Aruba) N.V. with an initial combined capitalization of AWG 54 million.
- Roger Schimmel, Branch Manager, and Sharon Wegereef-Elmondalek, Operations Manager, were appointed as Co-Managing Directors reporting to a Board of Supervisory Directors under the Chairmanship of Richard Gibson, with Olindo Koolman, formerly the Governor General of Aruba, Fons Simon, Dito de Kort, and Percy Virginia.
- Banco di Caribe's St. Maarten Branch completed its first full year of operation and is now well on its way to supporting the future of the Island's economy.
- Our investment banking arm, the National Investment Bank (NA) N.V. (NIBanc), notably expanded its participation in the areas of project development and advisory services in the Netherlands Antilles and Aruba, and started a process of expanding its relationships beyond the region.
- In April, 2008, NIBanc was awarded the mandate to underwrite, syndicate and provide advisory services for an infrastructural development project in St. Maarten.

The project is estimated to cost USD 100 million.

- In a subsequent event, taking the state of the global economy into account, our Board of Supervisory Directors recommended a further strengthening of our capital base. Accordingly, on March 12, 2009, shareholders approved capital calls in the amount of ANG 150 million for Banco di Caribe and ANG 180 million for ENNIA Caribe Holding N.V. We are pleased to note that, as of this date, these calls have been fully subscribed. As a result, consolidated equity of our financial services Group, after eliminations and share buy backs approved by the Bank of the Netherlands Antilles, amounts to ANG 342 million.

The Group ended the year 2008 with consolidated pre-tax financial results of ANG 26.6 million before non-recurring charges. This compares with ANG 21.3 million in 2007. Allowing for non-recurring charges and write-offs of ANG 15.7 million, net income after tax was ANG 9.5 million for the period. Consolidated total assets increased by 4.6 percent to ANG 2.43 billion, and our loan portfolio grew by 5.9 percent to ANG 797 million. Total Deposits at Year-End 2008 were ANG 1 billion.

Our wholehearted support for the social, cultural and educational objectives of our island communities continued strong in the year under review. Following the completion of the Curaçao phase of the Ansary Foundation School Sports project in 2007, 36 schools in Aruba and seven schools in St. Maarten received sports equipment and renovated facilities in 2008. We supported the Caribbean Marine Biology Institute's (CARMABI) efforts to promote environmental education among children, and sponsored a campaign by the St. Maarten health authorities to promote HIV prevention. We were also the primary sponsors of the inauguration of the Heineken Regatta Curaçao, the Youth Sailing World Championships (OPTINAM Cass) hosted by Curaçao, and the Netherlands Antilles Soccer Team's participation in the qualifying stage of the World Cup.

We salute the deep sense of commitment of our dedicated employees and express our sincere appreciation for the longstanding loyalty of our clients. We are grateful for the leadership and guidance of the Bank of the Netherlands Antilles and for the support of the appropriate authorities of our governments.

olidated financial statements from which these consolidated financial highlights were derived. In our opinion, the accompanying consolidated financial highlights as of December 31, 2008 are consistent, in all material respects, with the consolidated financial statements from which they have been derived.

For a better understanding of the Bank's financial position, the results of its operations for the period and of the scope of our audit, the consolidated financial highlights should be read in conjunction with the consolidated financial statements from which they have been derived and our auditors' report thereon.

Curaçao, Netherlands Antilles, April 24, 2009
KPMG Accountants B.V., V.T.M. Bergisch RA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Supervisory Directors of Banco di Caribe N.V.

We have audited the consolidated financial statements of Banco di Caribe N.V. and its subsidiaries (the "Bank") for the year ended December 31, 2008, from which these consolidated financial highlights, consisting of the consolidated balance sheet, the consolidated income statement and the explanatory notes were derived, in accordance with International Standards on Auditing.

In our auditor's report dated April 24, 2009 we expressed an unqualified opinion on the con-

CONSOLIDATED BALANCE SHEET

As of December 31 st	2008 ANG	2007 ANG
<i>(All amounts are expressed in thousands of Antillean Guilders)</i>		
Assets		
Cash & Due from banks	370,374	227,037
Financial Instruments	610,403	710,709
Investment Property	72,833	63,421
Investment in Associates	327,252	296,884
Loans and Advances to Customers	797,288	752,738
Reinsurance Assets	24,960	46,444
Property & Equipment	98,722	88,046
Intangible Assets	15,123	13,146
Customers' Liability under Acceptances	10,886	6,649
Deferred Tax Assets	13,021	13,035
Deferred Insurance Policy Acquisition Costs	28,978	29,050
Other Assets	63,828	80,573
Total Assets	2,433,668	2,327,732
Liabilities & Shareholders' Equity		
Liabilities		
Deposits from Customers & Banks	1,028,246	1,014,580
Insurance Liabilities	1,075,331	995,891
Acceptances Outstanding	10,886	6,649
Payables & Other Financial Liabilities	54,315	32,454
Deferred Tax Liabilities	16,817	20,192
Subordinated Liabilities	200	8,300
Other Liabilities	41,530	40,477
Total Liabilities	2,227,325	2,118,543
Shareholders' Equity		
Issued Capital	4,719	4,719
Share premium	97,231	97,231
Revaluation Reserves	9,365	16,804
General Reserve	13,506	13,145
Retained Earnings	71,298	67,347
Total Equity Attributable to Equity Holders of the Company	196,119	199,246
Minority Interest	10,224	9,943
Total Shareholders' Equity	206,343	209,189
Total Liabilities and Shareholders' Equity	2,433,668	2,327,732

CONSOLIDATED INCOME SHEET

For the year ended December 31 st	2008 ANG	2007 ANG
<i>(All amounts are expressed in thousands of Antillean Guilders)</i>		
Interest & Similar Income	114,666	113,476
Interest Expense	40,022	36,865
Net Interest Income	74,644	76,611
Net Fee & Commission Income	13,013	12,601
Income from Associates	37,254	39,576
Premium Income	205,207	206,225
Investment Income	8,408	2,776
Foreign Exchange Fees & Results	2,515	1,866
Other Operation Income	3,438	172
Total Non-Interest Income	269,835	263,216
Total Income	344,479	339,827
Insurance Claims & Benefits Incurred	219,495	207,379
Personnel Expenses	53,618	53,101
Administrative Expenses	61,212	56,289
Total Administrative Expenses	114,830	109,390
Allowance for doubtful accounts	(752)	1,736
Total Operating Expenses	333,573	318,505
Profit Before Tax	10,906	21,322
Profit Tax	(815)	(793)
Net Profit for the Year	10,091	20,529
Minority Interest	(542)	(1,142)
Net Profit Attributable to Equity Holders of the Company	9,549	19,387

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL HIGHLIGHTS OF BANCO DI CARIBE N.V.

A | Accounting policies

The principal accounting policies adopted in the preparation of our consolidated financial statements are set out below. The notes are an extract of the detailed notes prepared in our consolidated financial statements. The notes detailed below coincide in all material respects with those from which they have been derived. Throughout this report, the word Group refers to Banco di Caribe N.V. and its consolidated subsidiaries.

Basis of preparation
Our consolidated financial statements, from which these Consolidated Financial Highlights have been derived, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The policies used have been consistently applied by the Group and are consistent, in all material respects, with those used in previous years, except for accounting of investments in associates. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The financial statements are presented in thousands of Antillean Guilders (ANG).

Basis of consolidation
Subsidiaries are those enterprises controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements incorporate the assets, liabilities, revenues and expenses of Banco di Caribe N.V. and its group companies, except for the assets and liabilities of N.V. Trustmaatschappij van Banco di Caribe N.V. relating to the securities this

in equity, through the statement of changes in equity, until the available-for-sale investment is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement for the period.

Transaction costs on purchased available-for-sale investments are included within the initial measurement of the financial assets.

Loans and advances to customers
Loans and advances are carried at amortized cost, less an allowance for doubtful accounts. Changes in the total allowance for doubtful accounts are charged to the statement of income. Loans deemed uncollectible are charged-off against the allowance for doubtful accounts. Subsequent recoveries are credited in the statement of income. Amounts set aside that exceed the allowance for specific possible loan losses have been accounted as reserve for general banking risks as part of the general reserve within shareholders' equity.

Investments in associates
Investments where the Group can exert significant influence are accounted for as an associate under the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the investee after the date of acquisition. Profit taxes are accounted for on an accrual basis and the 2007 figures have been restated accordingly. On acquisition of the investment any difference (whether positive or negative) between the cost of the investment and the Group share of the fair values of the net identifiable assets of the associate is treated as goodwill.

Insurance contracts
Included in insurance liabilities are insurance contracts, which are defined as those contracts containing significant insurance risk if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Contracts can be reclassified to insurance contracts after inception of insurance risk becomes significant.

Life insurance liabilities
According to IFRS requirements, the life insurance provision is measured using previously established accounting policies. Life insurance business provisions are

calculated separately for each life operation, based on local regulatory requirements and actuarial principles consistent with those applied in the Netherlands Antilles and Aruba.

The life insurance provision is calculated according to the principles on which the premiums have been based. Largely on a 'prospective' basis and 4 percent interest and for a small portion on a 'recursive' basis. The provision also includes a provision for future costs of processing benefits, the provision for unearned premiums and unexpired risks as well as the provision for claims outstanding, all as far as related to the life insurance business.

Outstanding claims provisions
General insurance and health outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not. Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business for which the ultimate cost cannot be known with certainty at the balance sheet date. Outstanding claim provisions include 'claims incurred but not reported' (IBNR) estimated by management.

Net interest income
Interest income and expense is recognized in the income statement

B | Specification of accounts

<i>(All amounts are expressed in thousands of Antillean Guilders)</i>		
I. Assets	2008	2007
<i>Financial Instruments</i>		
Available-for-sale securities	348,103	408,131
Fair value through profit or loss	120,000	128,593
Other	142,300	173,985
Net investments	610,403	710,709
<i>Loans and advances to customers</i>		
Retail customers	408,056	352,660
Corporate customers	412,677	420,513
Total loans and advances	820,733	773,173
Less: Allowance for doubtful accounts	(23,445)	(20,435)
Net loans and advances	797,288	752,738
II. Liabilities	2008	2007
<i>Customers' deposits</i>		
Retail customers	406,491	409,327
Corporate customers	586,404	540,211
Deposits from other banks	-	10,417
Other deposits	35,351	54,625
Total customers' deposits	1,028,246	1,014,580



BANCO DI CARIBE