REFLECTION
2013 ANNUAL REPORT

Bank of The Bahamas
LIMITED

NASSAU

and the BAHAMA ISLANDS

MAGAZINE OF LIFE AND TIMES IN THE ENCHANTED BAHAMAS

COLOURFUL CEREMONIES MARK ARRIVAL OF NEW GOVERNOR SIR RALPH GREY — Photo by Roy Newbold, Jr., courtesy of Bahamas Ministry of Tourism

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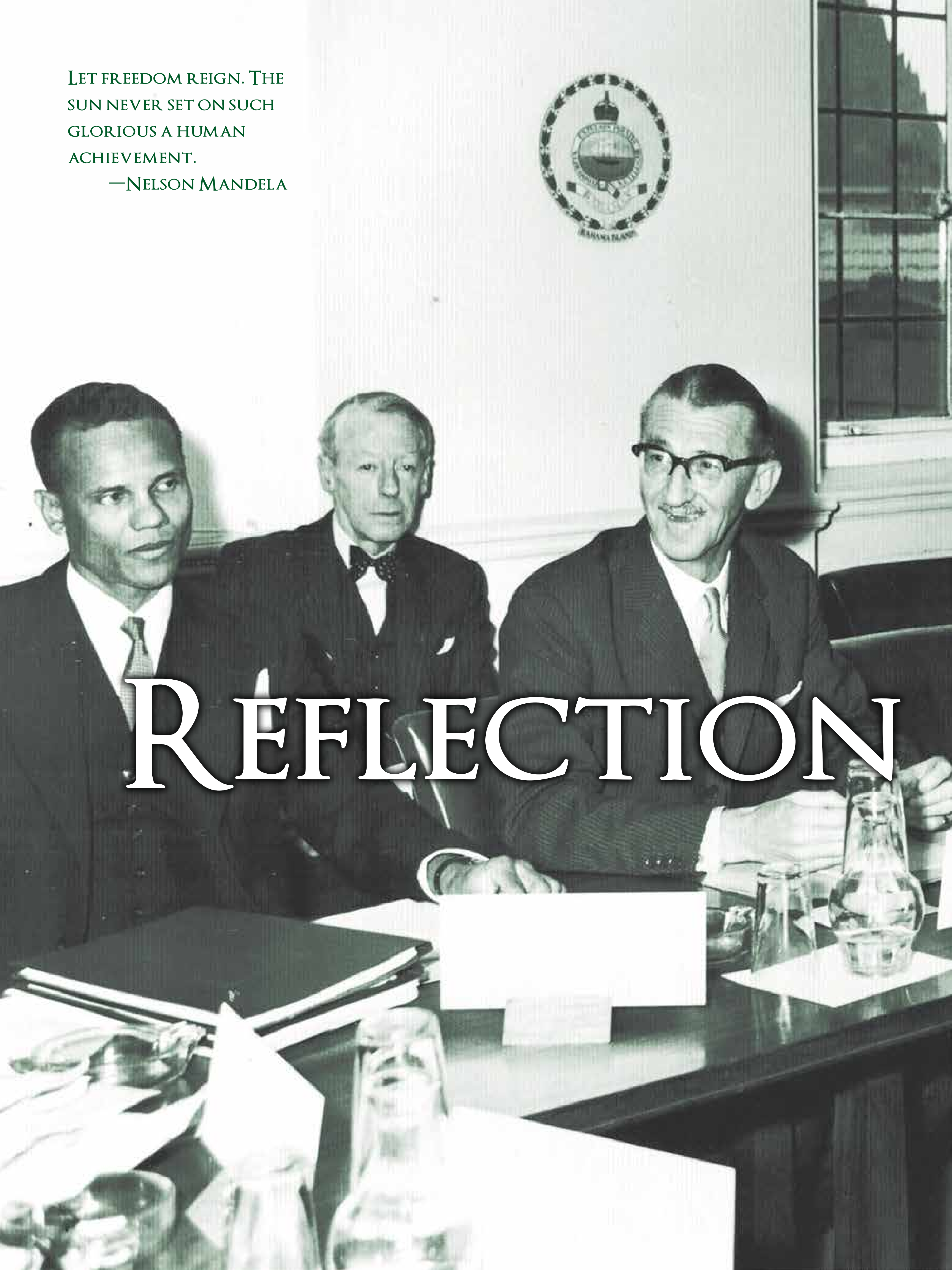
Table of Contents
BANK OF THE BAHAMAS LIMITED ANNUAL REPORT 2013

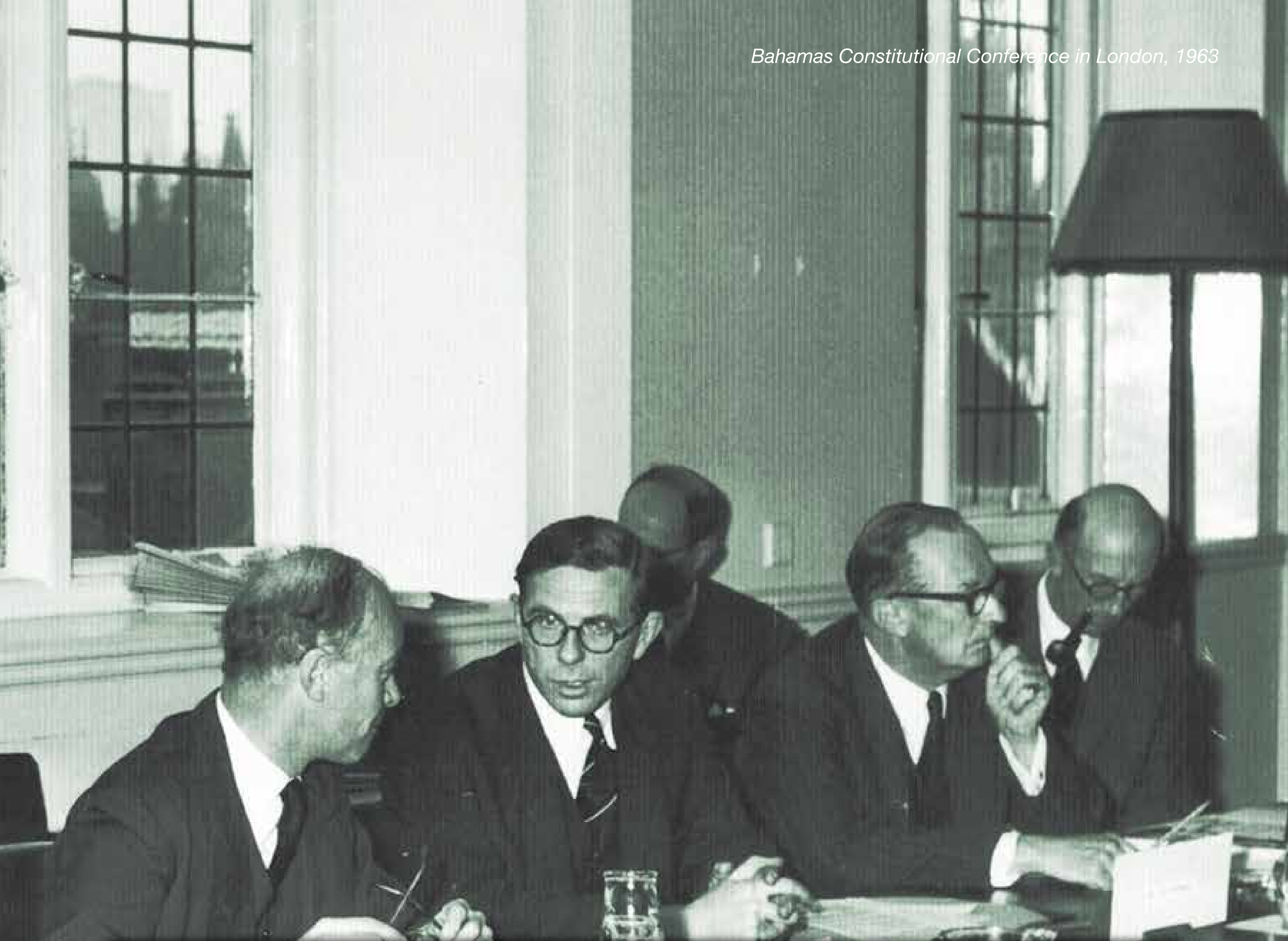
BOB
Bank of Solutions.

Let freedom reign. The sun never set on such glorious a human achievement.

—Nelson Mandela

Reflection





Bahamas Constitutional Conference in London, 1963

Viewed over the span of life on Earth, a half century is but a tiny speck, a notch in time so insignificant it could easily be overlooked.

But when such dramatic transformation occurs as it has in the last half century, no magnifying glass is needed, for never has there been a period in which there has been greater change in how we work, play, travel, communicate, do business and even how we relate to one another. Consider where we were 50 years ago. In 1963, the first cell phone call was still 10 years away. The average cost of a new house was $12,650 in U.S. dollars or 3,160 Pounds Sterling as Bahamians would have referred to it. A gallon of gas was 29 cents, the average cost of a new car was $3,233. The Beatles had just released *Love Me Do* and Beatlemania was about to reach peak craze level with the release of I *Want to Hold Your Hand*. President John F. Kennedy was assassinated that year and The Bahamas was enjoying a banner year for fame. It was the 10th running of the Bahamas Speed Weeks races and a bitter battle between Ford and Chevy overpowered the previous obsession with race cars from the UK and Europe during the most talked about social event of the season. That same year, two years after the pageant was founded, Sandra Louise Young was named Miss Bahamas and became the first woman to represent The Bahamas in the Miss Universe contest.

Why 1963? It was the year of the Bahamas Constitutional Conference in London that set the stage for internal self-government one year later when a Bahamian, Roland Symonette, ascended to the highest office, replacing a 200-year long stream of governors representing royalty in British colonies like The Bahamas.

A decade later The Bahamas emerged a free and sovereign nation with a democratically elected prime minister. The true birth of an Independent Bahamas was celebrated with great joy.

And in 1988, that independent government saw an opportunity to invest in a bank for Bahamians and seized it. They named it Bank of The Bahamas. Years later, the name was shortened to BOB though the official corporate identity remains Bank of The Bahamas Limited.

Now, as this nation celebrates 40 years of independence, we at BOB mark our 25th anniversary.

It is a good time for *Reflection*.

Highlights

BOB marked its 25th anniversary with highlights throughout the year and with an array of activities from new products and services to historic commemorations, from formal activities to strengthening community outreach.

BOB Retail Manager Ian Thompson, left, and Deputy Managing Director, Strategic Planning Hubert Edwards, a track athlete himself, present Olympic gold medalist Chris Brown with financial support to help make the Golden Knight's 1st annual Chris Brown Bahamas Invitational a reality.

In Fiscal 2013, BOB introduced the nation's first ATMs capable of accepting non-envelope cash and cheque deposits.

The bank expanded ATM locations and now has 10 at bank branches from Grand Bahama in the north to San Salvador in the south plus off-site locations at Phil's Food Services, Arawak Cay and at the Lynden Pindling International Airport. Wheelchair-friendly and equipped with Braille lettering, the new ATMs operate at lightning speed, a feature celebrated by BOB's endorsement by Olympic gold medalist track star Chris Brown.

By sponsoring the 1st Chris Brown Bahamas Invitational Track Meet, BOB continued its alignment with the track star who has served as a role model for many young Bahamians.

Because Life Takes VISA – BOB equipped 115 athletes with VISA Gift Cards to reduce worries about carrying cash as they headed off to represent the nation during CARIFTA.

When the blues are all about happy smiles and days – BOB Shirley Street celebrated The Bahamas' 40th Anniversary of Independence and created a 25-year timeline of the bank's history.

In one of its most powerful sponsorships, BOB's support paved the way for the third annual musical and dance extravaganza, *Love That Child*, with proceeds benefitting three children's homes. The production gets bigger each year with more children performing to raise funds for other children. This year's funds went to make life a little better, a little brighter at the Ranfurly Home for Children, the Elizabeth Estates Children's Home and Children's Emergency Hostel. These youngsters from the Meridian School were among the 150 voices, children helping children.

BOB strengthened its community outreach—rewarding and honouring deserving students, sponsoring athletes, helping to make summer camp possible for thousands and bringing laughter and song to children's homes. It was an anniversary year celebrated by giving back to the community that helped BOB achieve the position it has in such a short period of time.

For students who stayed closer to home this summer, BOB provided lunches for thousands attending all 10 Royal Bahamas Police Force camps. Deputy Managing Director Vaughn Delaney, left, presents cheque to a member of the Royal Bahamas Police Force. Senior Manager, Risk and Sponsorship Committee member Philice Albury at right.

FISCAL & OPERATIONAL HIGHLIGHTS

- BOB continued to shore up capital reserves to a level well in excess of the ratio required by The Central Bank and Basel III Accord
- Assets grew by 3.3% over previous year to end at $890.06 million
- Carmichael Road branch opened, increasing full-time employment complement to 358 at year-end
- $2.4 million paid in preference shareholder dividends
- Balance sheet strengthened with the liquidation of $32 million in direct liabilities
- Deposit base increased by 7.7%
- $31.5 million cash capital injection
- Non-interest income rose by 6%, signifying strong results from concentration in fees and other non-loan portfolio revenue streams

Board of Directors

RICHARD C. DEMERITTE, CA, FCGA, CHAIRMAN

Certified Public Accountant, former Auditor General of The Bahamas, author, corporate and civic director, consummate diplomat and statesman, Dr. Richard C. Demeritte has served as High Commissioner to the United Kingdom and as The Bahamas' first Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium, the Federal Republic of Germany; Republic of France; and the European Economic Community. Throughout his career, his knowledge has been sought by a wide array of private and public boards, including the Council of the Association of International Accountants where he served as the first non-British President and Chairman. He served as a member and past Vice-President of The Bahamas Institute of Chartered Accountants. Following his retirement from the public service in 1996, he established his accounting firm MGI Richard C. Demeritte & Co. Chartered Accountants & Management Consultants and continued to serve on numerous charitable and non-profit organisation boards. He is also a Fellow of the Royal Society of Arts (London), the Certified General Accountants Association (Canada) and the Association of International Accountants (London), Dr. Demeritte is a Certified Fraud Examiner. He was awarded a Ph.D. in Public Sector Accounting in 2003.

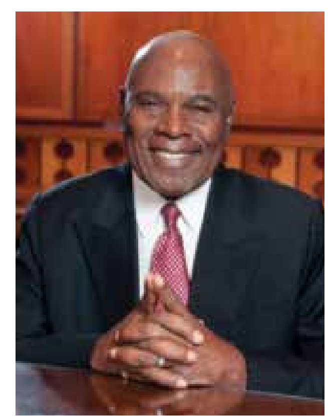
RAWSON MCDONALD, DEPUTY CHAIRMAN

One of the country's senior attorneys, Rawson McDonald has had an industrious career in law and finance following honours performances and top prizes throughout an academic career that culminated in a Master of Laws degree from the University of Buckingham, England. From 1959-1965, Mr. McDonald worked with the Navios Corporation, followed by seven years as vice president of trading for Deltec Banking Corporation. In 1973, he was appointed resident manager of Swiss Italian Banking Corporation, later moving to Syntex Bahamas Chemical Division before launching his law career with Higgs & Johnson, followed by four years with Lobosky & Lobosky and three with Gwendolyn House. In 2003, he founded Rawson McDonald & Co.. Mr. McDonald has served on several boards including The Bahamas Hotel Corporation and the Bahamas Telecommunications Corporation.

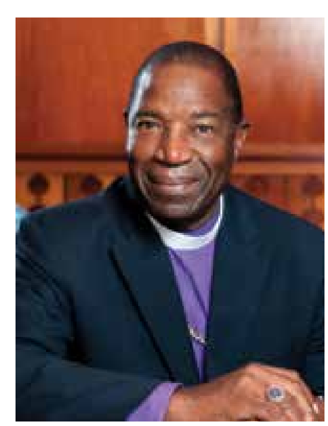
BISHOP ROSTON LIVINGSTON DAVIS

Community counselor, NGO director and prominent theologian, Bishop Roston Davis has touched thousands of lives in The Bahamas in his 40-year service as civic and religious leader. He began his career in the civil service as a teacher, followed by a posting in the Customs Department. He became a drug counselor and turned his attention to organised religion as he furthered his academic training. With a Master of Arts from Oxford, England, a second Master's Degree in counseling from the University of Miami, and two honorary doctorates, Bishop Davis was elected President of the Bahamas Christian Council after serving in many posts on the Council. He has served in the highest capacities in the Golden Gates World Outreach Ministries and as Assemblies of God National Sunday School Superintendent. His lay duties include serving on the board of the Bahamas Mortgage Corporation and Great Commission Ministries among other organisations.

Dr. Richard C. Demeritte, Chairman



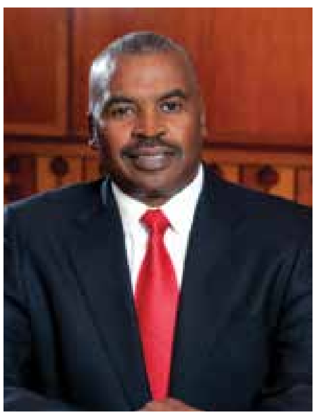
Rawson McDonald, Deputy Chairman



Bishop Roston Livingston Davis

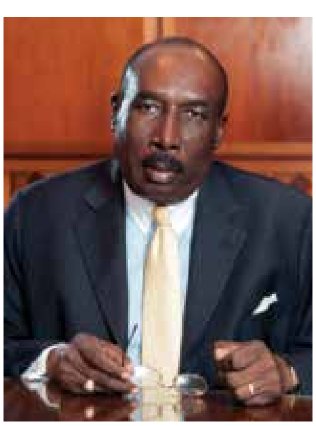
Left: Government House

Don Shannon Davis



Eric Gibson Jr.

Donna Maria Harding-Lee



Errol John McKinney

DON SHANNON DAVIS

A Certified Public Accountant with a 25-year career in banking, finance and private enterprise, Mr. Davis has served as CEO of JP Morgan Trust Company (Bahamas) Ltd., as a Director in the company, as senior accountant with the Bahamas office of a major international accounting firm and with a boutique accounting firm in his earlier career. In addition to audit, development, risk management and financial oversight, his vast leadership experience includes the Deputy Chairmanship of the Bahamas Electricity Corporation (2005-2007) following three years as a Director. He holds a Bachelor of Science in Accounting from the University of North Carolina. Since 2008, Mr. Davis has been President and CEO of Quality Home Centre and C. to C. Company Limited.

ERIC GIBSON JR.

With a diverse background blending top level Information Technology, accounting, management skills and successful entrepreneurship, Mr. Gibson was Director and Head of Operations & Information Technology at Ansbacher (Bahamas) Limited where he worked in several capacities for 15 years starting in 1994. Prior to joining Ansbacher, Mr. Gibson was a systems analyst and programmer for a major insurer, an analyst programmer for one of the country's largest wholesale/retail companies writing its accounts payable system and authoring its retail accounting and inventory programming. He was a computer programmer for BITCO from 1984-1988. Mr. Gibson holds a Bachelor's degree in Professional Management with a specialty in Accounting from Nova University and several certifications, including Project Management. In 2009, he opened his own business, Bahama Grill Café.

DONNA MARIA HARDING-LEE

A senior attorney, Mrs. Harding-Lee was called to the Bahamas Bar in 1982 after articling with the firm Cash, Fountain & Co., where she began her practice and remained for 14 years until founding her own law offices, Harding-Lee & Co. in 1996. Mrs. Harding-Lee is a former Chairman of the Government School Board. She has been a director of an insurance/financial institution, served as a member of the Industrial Relations Board of The Bahamas, and has held various positions within the Bahamas Bar Association, including membership on the Disciplinary Tribunal.

ERROL JOHN MCKINNEY

Labour advocate, corporate director and consultant, Errol John McKinney is president of EM & Associates founded in 2006 to provide management, labour and human resources consulting services. Prior to establishing his own firm, Mr. McKinney served as Office Manager and Labour Advocate with Obie Ferguson & Co. law offices. His diverse background includes the food and hospitality industries and few contracts with major hotels in The Bahamas have been negotiated without Mr. McKinney's involvement. He has also served as director of the Bahamas Telecommunications Company (2002-2007), and from 1970 to 1982 on the Nassau Paradise Island Promotion Board, Bahamas Hotel Association, Bahamas Reservations Service and as a trustee and director of the Bahamas Employee Association. Having achieved certifications and completed academic work at Cornell and the University of the West Indies, he is currently pursuing his LLB in law at the University of Wolverhampton.

ROGER L. MINNIS

A senior attorney, Mr. Minnis began his career in banking as a management trainee and loan officer with the Canadian Imperial Bank of Commerce before turning his attention to law and articling with the law firm that produced two prime ministers, Christie, Ingraham and Co. for five years beginning in 1985. He was called to the Bahamas Bar in 1990 and by the following year opened his own practice. Born in Nassau, Mr. Minnis attended St. Augustine's College, followed by St. John's College and Meisterschaft College in Toronto. He graduated from York University with a Bachelor or Arts in Economics and graduated with a Bachelor of Laws degree (LLB Honours) from University of Buckingham in 1985.

JOHN FITZGERALD WILSON

A partner at the law firm McKinney Bancroft & Hughes, John F. Wilson specializes in Admiralty Law and commercial litigation with concentration in Trust, Shipping and Fraud Recovery. His writings on The Bahamas ship registry, Trustee power and matters related to banking have formed the basis of lectures and papers and he is a contributing author to two important works on law, including The International Real Estate Handbook. One of the few Bahamians to have sat and passed the Michaelmas Exams of the London Bar Exams, Mr. Wilson earned his LLB degree from the University of Buckingham with honours and was awarded the Dean's Award for performance. He was admitted to the Bars of England and The Bahamas in 1994 and has served on the disciplinary committee of the Bahamas Institute of Chartered Accountants and as co-chair of the arbitration working group of the Bahamas Financial Services Board.

PAUL J.I. MCWEENEY

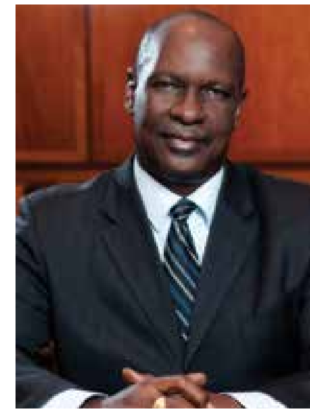
Starting his career at Chase Manhattan, N.A., Mr. McWeeney has served in the financial services industry internationally and in The Bahamas for more than 30 years. Joining Bank of The Bahamas in 1993, he was appointed Managing Director in 2001. He serves on several financial regulatory and civic boards, including holding the first chairmanship of the Bahamas Automated Clearing House.

FR. JAMES B. MOULTRIE, PH.D.

The Reverend Dr. James Moultrie has led a distinguished and varied career in the fields of education, public service, politics, international affairs and religion. Dr. Moultrie, a native of Eleuthera, is the former Member of Parliament for the Rock Sound Constituency (1980-1992) and the former Ambassador Extraordinary and Plenipotentiary, Bahamas Mission to the United Nations, N.Y (1988-1993). He has served as Director of Youth in the Ministry of Education and Deputy Permanent Secretary and Parliamentary Secretary in the Ministries of Foreign Affairs and Education. From 1998-2009, Dr. Moultrie taught in the School of Education at the College of the Bahamas. He also served as Deputy Director of Anglican Schools in The Bahamas and is the former Rector of St. Matthew's Anglican Church and Church of The Holy Spirit. Over the years Dr. Moultrie has provided advice and oversight to various boards and agencies. He is a former Chairman of the Racing Commission (1980-82) and Air Transport Licensing Authority (1982-84), Member of The Public Service Commission (2004-2007), former Deputy Chairman of the Board of Directors of BEC (2002-2007) and current Chairman of the National Insurance Board. Dr. Moultrie holds advanced degrees in Education and Theology.

ALEXANDER SOLOMON RECKLEY J.P.

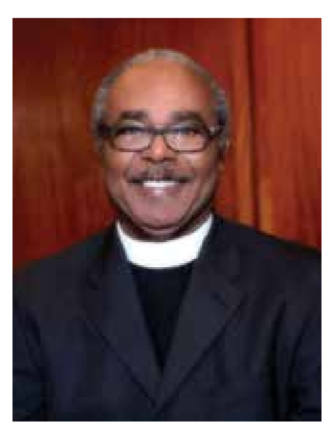
Currently the owner and operator of Principal Investment Group, Mr. Reckley has more than 30 years of banking experience. During a long and productive career at Barclays Bank PLC Mr. Reckley held strategic positions where he was responsible for key functions of the bank's operations. Mr. Reckley began his career as a teller in 1967 and over the next eighteen years worked in Accounts, Foreign Exchange, Collections and Loans and served as Inspector to Barclays' operations in The Bahamas, Belize, The Cayman Islands, Bermuda and the Turks & Caicos Islands. By 1988 he had become the Administration Manager for Barclays' Bay St. Branch, with responsibility for supervising a staff of 145 and other day-to-day operations. In 1989 Mr. Reckley became Manager of the Thompson Boulevard Branch where he served for nine years. Mr. Reckley received his high school diploma from St Augustine's College in 1967. He holds an Associate of The Bahamas Institute of Bankers from The College of The Bahamas and the Certificate of Fellow from the Bahamas Institute of Financial Services (2007). He has also attended training programmes in The Bahamas, London, Barbados and Jamaica while employed with Barclays Bank PLC.



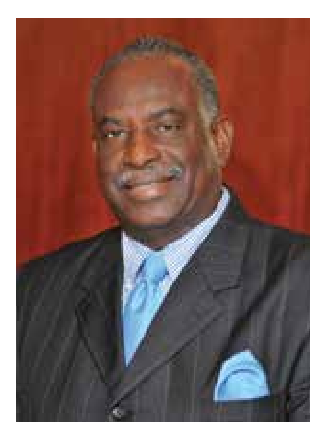
Roger L. Minnis

John Fitzgerald Wilson

Paul J.I. McWeeney



Fr. James B. Moultrie, Ph.D.



Alexander Solomon Reckley J.P.

History of Bank of The Bahamas

Twenty five years is a short time in the life span of a bank by world standards. As BOB marks a quarter of a century, the world's oldest bank—Italy's third largest today—turns 541 years old.

Yet, in its brief history, BOB's achievements are impressive. Founded in 1988 with the acquisition of domestic assets of what had been a well-established Canadian bank, the new bank faced an uncertain future. Strong management and a belief in the financial viability of Bahamians steered it through infancy and propelled it to its current position as one of the most important financial institutions in the country, helping to provide lending facilities to businesses, managing national assets and pension funds and creating private banking and trust services for a growing segment of high net worth individuals resident in or citizens of The Bahamas. That strong executive management and the guidance of a carefully selected board of directors through the roughest years helped grow the bank's assets from its start-up of $90 million to today's assets at $890 million as of June 30, 2013, an increase of approximately 900%.

Assets are only part of the story.

From three branches and few employees, BOB has evolved into a nationwide network of banking branches and services, including sophisticated, speedy, non-envelope deposit ATMs, BOB VISA gift and pre-paid cards, VISA private banking credit cards, merchant card services and much more. The bank employs more than 350 people full-time in 13 branches on seven islands. Its commitment to community is widely known, well-documented and in some of the more remote islands makes the difference between a high school enjoying a graduation ceremony with trimmings including a printed program and just acknowledging that students have matriculated. Its support of youth development, law enforcement and education are unmatched for an institution of its size. And when it won the first ever Bracken Award presented by the Financial Times Group to a Bahamian bank, it set a standard for international recognition that no other local bank has attained. BOB has continued to earn international acclaim with eight awards over seven years, being named the country's top bank by The Banker three times starting in 2005 and receiving Euromoney's Best Bank Award five times. Still, like others, BOB felt the brunt of the economic freefall in 2008 and today is welcoming what it believes to be a slow turnaround, leaving challenges in its wake, but promise in the future.

HISTORY HIGHLIGHTS

As BOB progressed from providing the most basic of retail banking services to the most comprehensive of financial products in a little more than a decade, shareholder equity has mushroomed from $19 million in 2000 to $142 million by 2013.

Bank of The Bahamas Limited's record of firsts, highlighted throughout this report, includes first to provide trust services for Bahamians, first to offer full, comprehensive online banking complete with cheque imaging, first to comply with Check 21 Procedures

Right: Sir Lynden Pindling, First Bahamian Prime Minister

1970 The Bank was incorporated in The Commonwealth of The Bahamas on April 17 as Bank of Montreal (Bahamas & Caribbean) Limited.

1983 Its name was changed to Bank of Montreal Bahamas Limited.

1988 The Government of The Bahamas created a joint venture with Euro Canadian Bank Limited, purchasing 51% of the shares.

1990 The Government purchased all of the shares held by Euro Canadian Bank Limited and issued an additional 7,000,000 shares, bringing the total number of shares issued to 10,000,000.

1994 The Government sold 20% of its shareholding or 2,000,000 shares to the Bahamian public.

1995 The Government offered a further 3,000,000 shares of the Bank to the Bahamian public. Both offerings were substantially oversubscribed.

2000 The Bank launched a wholly-owned subsidiary, Bank of The Bahamas Trust Limited, becoming the first financial services center to offer Trust services for Bahamians.

2002 The trading name Bank of The Bahamas International was introduced to reflect the expanding direction of the institution.

2003 The Bank acquired the assets of Workers Bank Limited, increasing its branches in New Providence to four. The Bank also acquired Citibank N.A. Bahamas' mortgage portfolio of $22,459,682 at a cost of $20,995,859. The closing of the contract, which included full payment to the seller, occurred on July 1, 2003.

using electronic images to clear U.S. dollar deposits in a timely fashion, first to offer VISA pre-paid and gift cards, first to host a major mortgage fair attracting thousands and first to launch the unique Medline VISA card for medical services with negotiated rates enabling cardholders to benefit from reduced cost medical care at top facilities in The Bahamas and South Florida, first and only bank to win Euromoney's Best Bank award five times and The Banker's Bracken Award for Excellence three times, eight times the country's best bank by two major international reviews.

THE BEGINNING

The Bank was incorporated in The Commonwealth of The Bahamas on April 17, 1970 as Bank of Montreal (Bahamas & Caribbean) Limited. In 1983, its name was changed to Bank of Montreal Bahamas Limited. In September 1988, the Government of The Bahamas created a joint venture with Euro Canadian Bank Limited. By purchasing 51% of the shares, the Government not only had controlling interest, but was able to ensure that Bahamian employees were offered employment with the new bank, appropriately renamed Bank of The Bahamas Limited.

During the second half of 1990, the Government purchased all of the shares held by Euro Canadian Bank Limited and issued an additional 7,000,000 shares, bringing the total number of shares issued to 10,000,000.

In September 1994 the Government sold 20% of its shareholding or 2,000,000 shares to the Bahamian public. **In October 1995** the Government offered a further 3,000,000 shares of the Bank to the Bahamian public. Both offerings were substantially oversubscribed.

Since BOB went public with an initial share offering in 1994, the Bank has paid nearly $52 million in

Hurricane Hole Marina

dividends to more than 4,000 private, corporate and institutional shareholders.

The Bank continued to experience extraordinary success as it was able to announce an oversubscribed rights offering of $25 million in late 2005 and a subsequent $15 million private placement preference share offering in 2006. At year-end, the bank benefitted from a $31.5 million in authorized capital injection. Authorized capital of the Bank is at 25,000,000 (voting) and 10,000,000 (non-voting) Ordinary Shares of B$1 par value.

By expanding its capital and continuously upgrading services and products, the Bank has steadily pioneered the way financial business is conducted in The Bahamas.

In September 2000, it launched a wholly-owned subsidiary, Bank of The Bahamas Trust Limited, becoming the first financial services center to offer Trust services for Bahamians. The Trust also provides related fiduciary functions, including estate management for local residents and citizens as well as company incorporation.

Then, just over one year later, the Bank acquired the assets of Workers Bank Limited, increasing its branches in New Providence to four. Again, as it had at its creation, it offered employment to all who had been part of the acquired bank.

When the trading name Bank of The Bahamas International was introduced **in 2002** to reflect the expanding direction of the institution, it marked one of many milestones in a history of notable changes.

In 2003, BOB also acquired the mortgage portfolio of Citibank as it shed its domestic book of business.

In 2005, the Bank hosted an Incredible Dream Mortgage Fair, the first of its kind in the nation. The fair was a success, resulting in a doubling of the Bank's loan portfolio.

In 2006, the Bank embarked on a multimillion technology investment to overhaul the back end of data entry and storage and enable Bank of The

2005 The Bank continued to experience extraordinary success as it was able to announce an oversubscribed rights offering of $25 million. The Bank also hosted an Incredible Dream Mortgage Fair, the first of its kind in the nation. The fair was a success, resulting in a doubling of the Bank's loan portfolio.

2006 A subsequent $15 million private placement preference share offering was held. Authorized capital of the Bank was at 150,000,000 shares of B$1 par value. The Bank embarked on a multimillion technology investment to overhaul the back end of data entry and storage and enable Bank of The Bahamas to provide the best possible business solutions with ongoing analysis.

2007 Bank of The Bahamas became the first Bahamian bank with a financial services centre in Florida where Bahamians who do business there every day are able to do so with greater efficiency and ease.

2008 to **2011** BOB grew its Private Banking and Trust services division, assisting clients with personalized banking to free up their most valuable asset, time.

2009 A $20 million preference share offering further increased capital to support expansion.

2012 Work was completed on the new Carmichael Road branch which was opened in December.

2013 The Bank was able to bolster its capital to 22.89% in compliance with Central Bank and Basel III requirements. BOB also became the first bank in the country to offer non-envelope ATM transactions.

From the start, Bank of The Bahamas was about more than banking. It was—and is—about community.

Bahamas to provide the best possible business solutions with ongoing real time analysis.

In 2007, Bank of The Bahamas became the first Bahamian bank with a financial services centre in Florida. It would close in calendar year 2013 due to increased requirements by U.S. banking regulations making it impractical for smaller satellite operations to succeed.

In 2007, it was the first—and for several years remained the only—publicly-held Bahamian company to produce an annual report on CD.

In 2009, a $20 million preference share offering further increased capital to support expansion.

From 2008 to 2011, BOB grew its Private Banking and Trust services division, assisting clients with personalized banking to free up their most valuable asset, time. Through VIP services, the Bank's Private Banking professionals handled personal financial solutions ranging from bill payment to estate, trust, retirement, asset or insurance protection.

Over the past three years, during challenging economic times, the Bank focused on prudent management, internal controls and invested heavily in "back office" technology as well as staff development. The result: automatic data updating, making thousands of hours once spent on necessary but mundane inputting of information available for customer relations and business development.

In 2012, BOB opened its Carmichael Road branch to serve the fast-growing southern area of New Providence known by the name of City 2000. It was the first purpose built branch since Cat Island in 2008.

In fiscal 2013, the capital city's busiest branch, Village Road, underwent major renovations, remaining open and operational except on a few Saturdays during the reconstruction that doubled the space and vastly modernized the interior.

The bank continues to hold valuable real estate in a five and a half acre site on West Bay Street across from Nassau harbour where infrastructure plans for a new headquarters have been approved.

Displaying the catch from a day of fishing

Three years after BOB was at the forefront of a move to create the Bahamas Automated Clearing House (BACH), eliminating the need to ferry paper cheques between banks and The Central Bank and replacing the system with quick electronic transaction processing, BACH is proving itself invaluable. The manual physical handling of paper cheques is a relic of the past and BACH is now handling 4.5 million cheque transactions annually. For employees of companies paying by direct deposit, the benefit is immense, allowing placement in individual accounts, even if, as in the case of government, the payroll consists of thousands of persons.

And in fiscal 2013, the Sponsorship Review Committee continued to refine the Bank's community assistance program by looking at it as a partnership with initiatives that grow communities and help ensure healthy development. Bank sponsorships included the Ride for Hope to raise funds for the fight against cancer, *Love That Child*, original music produced to raise funds for the Ranfurly Home, Elizabeth Estates Children's Home and Children's Emergency Hostel, provision of food for 5,000 young participants at Royal Bahamas Police Force Summer Camps throughout New Providence, and nearly 50 other law enforcement, education and youth development programs or campaigns, including providing continuing support for the Downtown Nassau Partnership.

In 2013, Grand Bahama exceeded expectations with outstanding performance and close community ties. Results from both Grand Bahama branches were even more impressive given the general economy of the island in the northern Bahamas which, despite extraordinary investment in specialized sectors, has continued to face fewer visitor numbers resulting in retail, hospitality and transportation stagnation.

From the start, Bank of The Bahamas was about more than banking. It was—and is—about community. About dedication to excellence and determination to making The Bahamas an even better place to live, work, invest and believe.

From out of the box thinking to over the top training, from searching for opportunities to acquisition of expertise, the Bank has taken its unlikely beginnings into new fields of exploration and along the way lived up to its original belief—that what really sets one financial institution apart from another is people. How people on staff feel. How they treat customers. How customers feel. Banking. It's not about money. It's all about people.

As it has been since the beginning.

Letter to Shareholders

The theme of this annual report, *Reflection*, is apropos for a number of reasons. As The Bahamas marks its 40th anniversary of independence, BOB marks 25 years since our founding in 1988. Both of us, the nation and the bank, have come a very long way. Each in different but connected ways has weathered external exigencies that have affected our economy and our revenue. More importantly, as years have passed and we have gained from experience, we have matured. As a nation, we are stronger, our ties to the world around us more relevant. We have taken our place at the world table where we are respected.

As a financial institution, we have emerged as a force that has been instrumental in the development of The Bahamas. We have contributed to national development by believing in Bahamian businesses, by assisting families in home ownership, education, medical needs and celebrating milestones. We have invested in the people of the nation and the nation has responded with trust and loyalty. Today, more than 4,000 shareholders believe in BOB and the bank has paid more than $50 million in dividends to its major shareholder, the government which between the National Insurance Board and the Public Treasury continues to hold 65% of shares. BOB has been one of the best investments the government of The Bahamas has ever made in terms of return on investment.

In 2013, the bank made clear progress on a number of strategic fronts, laying the foundation for future growth in revenue, profitability and shareholder value.

Good governance is essential for a bank to achieve its ambitions and we are fortunate to have it deeply ingrained in our work and processes.

The Bank will continue to exercise the greatest vigilance in lending. We believe that the ratio of non-performing loans to productive interest ratios will,with strategies being employed, soon start to level off. At the same time, the bank's executive management continues to bolster non-interest revenue streams. Investment in new and updated fee-driven vehicles is netting positive results. The Board is strongly committed to ensuring that BOB's absolute and relative performance continues to be a source of pride for all our shareholders and employees.

As we enter a new fiscal year, we reflect on how far we have come from infancy with $90 million in assets to a financial powerhouse with $890 million in assets. Over the years, we have come to appreciate and indeed greatly admire the highly professional caliber of our management team, led by the Managing Director, who has developed a sound strategy for growth and an ever-improving customer experience. The Board lends its full support to this strategy and we are becoming stronger and better as a bank as a result. Their steady leadership is a competitive advantage for BOB.

Most of all, thank you shareholders for your unwavering faith in BOB. I believe that real progress is unthinkable without operating from a sound base and with confidence in our aim. We pledge to do our very best to continue to earn your trust. I thank you for your continued support and it has been a pleasure serving as your Chairman during the period under review in the Bank's history.

Richard C. Demeritte, CA, FCGA, Chairman

Executive Statement

In his book *Outliers*, Malcolm Gladwell tells the story of a town that defies all statistics in heart disease. Located in remote rural Pennsylvania and reminiscent of a village in Italy where its inhabitants had descended from, the town called Roseto recorded almost no heart attacks. The rate of heart disease was so far below the national norm, in fact, that at first it seemed to be a mistake. But the evidence caught the eye of a doctor who was determined to find out what the secret of Roseto was. Researchers poured in. They reviewed diet. They checked exercise routines. They examined genetics. But the self-contained town's residents who didn't have a whole lot of reason to go too far away from home were far from fitness fanatics. When it came to exercise, they didn't. They eschewed health foods in favour of baked goods and pasta. No one fretted over cholesterol or even bothered to check it and there was nothing special about the gene pool. What could account for the fact that almost no one under 65 suffered from a heart attack in this one little town in the days when heart disease was the number one killer of males in the U.S. under age 65?

Here, in the words of Gladwell (author of *Tipping Point* and *Blink*) was what they found:

"(Researchers) Wolf and Bruhn had to convince the medical establishment to think about health and heart attacks in an entirely new way: they had to get them to realize that they wouldn't be able to understand why someone was healthy if all they did was think about an individual's personal choices or actions in isolation. They had to look beyond the individual. They had to understand the culture he or she was part of, and who their friends and families were…They had to appreciate the idea that the values of the world we inhabit and the people we surround ourselves with have a profound effect on who we are."

In the case of Roseto, it came down to people who sat on their front porch and welcomed others who came to visit, people who would rather bake a cake or loaf of bread than go to a mall or gala. People whose idea of a perfect Saturday night was a stroll down the main street. If it all felt very Norman Rockwell-ish, it was. But it was a town without hurry made up of people without stress.

It was success by association—a culture that bred good health. Just walking down the street in the evening greeting people had led to well-being.

I share this story in detail because it speaks to the very core of what BOB has spent much of the last year defining and refining, the corporate culture.

In the past, we talked about our growth, which has been dramatic. In 25 years of existence, we have gone from three branches to 13, from two islands to seven, from handling checking and savings accounts to being a full service financial institution with products that range from a junior savings account a parent can open with as little as $10 to managing pension funds and trust assets for high net worth clients. We have gone from $90 million in assets at launch in November 1988 to $890 million in assets as of June 30, 2013. We have gone from a few dozen staff to a full-time complement of 358 with more than 20 additional temporary employees. We have won international awards eight times, more than any other Bahamian bank.

But while we grew, expanding our offerings of products, enhancing our services, multiplying our physical presence and improving our technology, we allowed our corporate culture to evolve almost independently. Yes, we examined our mission statement and amended it slightly as time went on and we reviewed our vision statement and amended that,

British Colonial Hotel

too, as called for. But we were so busy with banking and bricks and mortar and vision and technology and customer service that we failed to look inward at ourselves as deeply as we could have. In fiscal 2013, we did just that. We looked at not just what we had become, but who we had become. We asked tough questions of ourselves: Are we a place where we want our children to work? Are we doing enough to retain the best people in the industry so once we have invested in training and they have gained experience, the promising staffer is excited about staying at BOB? How good are we to us? How can we create the best corporate culture possible?

We did not take these questions lightly. We engaged a consultant who worked with individuals and teams. We held an intense corporate retreat. We looked at the most innovative companies in the world and at ideas, big and small. And what emerged was a clear and dynamic vision to take us into the future. More committed than ever to being the number one bank in innovation, we believe our more open corporate culture will make BOB the number one financial institution for those serious about a career in banking. We want to be not just a better place to work and advance, but the best.

As we reviewed our internal structure and corporate culture, we continued to focus on financial direction and I am pleased to advise shareholders that we have made considerable progress. Despite a continuing high unemployment rate that rose above 16% and hovered at that level, we worked with our customers to restructure residential mortgages and business loans in order to protect and preserve the home or other assets they worked so hard to acquire over the years. To comply with Basel III capital requirements imposed on all banks around the world, BOB raised $31.5 million in additional capital in the year ended June 30, 2013 which dramatically enhanced its financial fortitude.

Despite weak economic conditions and a highly competitive banking environment, BOB was able to grow total assets by 3.3% and increase deposit base by 7.7% over the previous year. Further, it used much of the new capital raised to retire expensive bonds thus making the bank almost debt free. Although we report a net loss of $3.8 million in this annual report, we do so following very aggressive accounting for non-performing loans and a prudent approach to making provisions for the potential loan losses stemming from continued economic weakness as reflected in IMF and international rating agencies statements regarding the welfare of the Bahamian economy over the medium term. We note, too, that there is room for correction as some of those loans are brought current, a fact we are beginning to experience following fiscal year-end as the economy starts its slow climb back up to better health.

While we are concerned about the continuing level of high unemployment and the dichotomy between the labour pool of trained persons and the new jobs that will become available when Baha Mar opens, we have reason to feel optimistic. Much in New Providence depends on the multi-billion investment in Baha Mar and there are numerous plans for responsible Family Island development that we hope will be in keeping with the character of the islands on which they are built. Relatively, we have as much of a presence as the major clearing banks in these islands scattered over 100,000 miles of open ocean and our staff members in far-flung locales that do not enjoy daily airlift, for instance, remain loyal to BOB and to serving their communities.

Three years ago when we shared the belief that the future of banking lies in non-interest revenue streams and in e-banking modes, we were at the start of a new era with very little by which to measure success in those directions. Today, we can report that non-interest revenue—fees collected on ATM and online transactions, private banking and trust services and merchant card services—rose by more than 6% year-over year. We expect that trend to continue and will reinforce its growth by providing adequate technology and trained staff. Because non-interest revenue streams involve minimal risk, they are particularly attractive.

Reflecting on a quarter of a century, a microsecond in banking history, I am pleased to report that BOB has outperformed all expectations by international standards, that shareholder equity has continuously risen (climbing from $94 million in 2008 to $142 million in fiscal 2013), and that the bank's capital ratio continues to exceed the 14% to 17% requirement set by Central Bank. That foundation bodes well for the coming year though caution will continue to be exercised by the credit risk department which remains charged with vigilance in approvals and monitoring in all matters of lending applications, continuing a policy established several years ago of placing distance between executive management and approvals or declines.

I would like to take this opportunity to thank hard-working BOB staff, our directors and you, our shareholders for making BOB your Bank of Solutions.

Paul J.I. McWeeney

OUR VALUES

LEADERSHIP

We are called to be leaders

EXCELLENCE

We deliver what we promise to our stakeholders and add value beyond what is expected

ATTITUDE & ETHICS

We recognise that a positive attitude, honesty, trust, fairness and integrity are essential for meeting the highest level of ethical behaviour

PEOPLE DEVELOPMENT

We value our people

TEAMWORK

We depend on each other to succeed

VISION

To be the best and most respected Bahamian financial enterprise

MISSION

To work together to consistently provide exceptional customer experience and superior financial solutions

British Colonial Hotel

Private Banking & Trust

As we reflect on progress and evolution over a quarter of a century from the birth and infancy in 1988 of a bank with a book of business totaling some $90 million to what is now a financial powerhouse that helps drive business and life in The Bahamas, perhaps no area of the bank has seen more dramatic change than Private Banking & Trust. Its steady climb in importance to customers has paralleled the products it continues to add and service it increasingly provides.

In the year 2000, Bank of The Bahamas Limited took the bold step of introducing trust services for Bahamians. No other retail bank had ever created a division to provide such services for the local population and Bank of The Bahamas, believing a totally untapped market existed—after all, Bahamians had the highest per capita income in the region—introduced trust services with marketing muscle it had never before flexed. At seminars, workshops, in personal appearances in corporate and public presentations, in print and electronic ads, in newspaper articles and a regular column, Bank of The Bahamas Trust Limited explained the concept. The bank took a gem that had been one of the key selling and service products of offshore banks operating in The Bahamas and brought it home for Bahamians. And Bahamians embraced it enthusiastically, welcoming the idea of protection of assets and relieving loved ones from having to undergo the scrutiny and public exposure that probate can involve. Client after client said they felt a weight had been lifted from their shoulders.

Trust services took off, and six years later, Private Banking, a natural outgrowth,was born, quickly becoming an important part of the mix. When that

BOB Private Banking & Trust reception in Grand Bahama

happened, it made sense to bring trust and private banking into the fold, eliminating the need for a separate entity and Bank of The Bahamas Trust Limited was absorbed into Bank of The Bahamas Limited. BOB Trust had made its point and left its imprint.

In ensuing years as the economy grew, as good times were followed by great times and great times were eclipsed by a recession unlike any in the 70 years prior, BOB Private Banking and Trust held its own. Today, it has more than $53 million in Private Banking and $84 million in Trust under management and its list of products and services keeps expanding. BOB Private Banking now includes asset management, concierge services, financial planning, an array of trust products, bill payment and personal attention that ranges from extended credit card privileges to serving the client's needs by taking banking to their doorstep. Multi-currency transactions make BOB an attractive solution for high net worth clients who travel between jurisdictions, maintain residences in different countries or conduct business here and abroad. Foreign currency mortgages increase that attractiveness and soon to come mobile and phone banking will make it even easier to transact business without ever stepping into a bank, a fact appreciated by particularly busy people with tight schedules and heavy responsibilities.

BOB has been able to provide peace of mind for Private Banking clients through its international partnerships. In 2012-2013, the bank strengthened those partnerships and is now operating what is considered the new normal as a result of Tax Information Exchange Agreements. Initial concern that signing on to such agreements could hurt The Bahamas has been eased, thanks in no small part to the fact that the nation has been international standard compliant for many years. In fact, the new normal has made The Bahamas more competitive in some ways, creating opportunities for Private Banking and Trust services as other jurisdictions fail to comply and some, once considered strongholds, fade into less active positions.

Looking ahead, the future looks bright for BOB Private Banking & Trust services. The bank is producing an elite credit card and developing a stronger online capability for private banking clients to conduct banking services in a secure, convenient manner, transforming Private Banking into transactional banking. One of the most significant developments is the alignment of BOB trust services with foundations, a move that enables BOB to serve a dual purpose, making it easier and safer for those who are preserving capital in a foundation and using earned income from that capital to fund community goodwill or charitable projects. Without tax incentives driving corporate responsibility or individual gift-giving to non-family, the creation of a favourable framework for giving may make a difference in many lives and in the community at large. It is just one more way BOB is living up to its reputation as the Bank of Solutions.

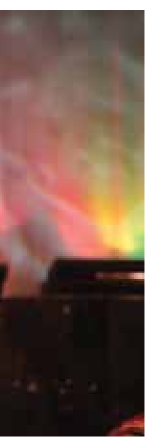
Sponsorship

When you mention bank, few think of children and if you mention the two in one sentence, the most likely picture to pop into your head is that of a youngster putting coins into a piggy bank. But that is not what we at BOB see when we look at young people. We see the future of The Bahamas, the teachers, doctors, carpenters, entrepreneurs. We see young people studying for college or training for a vocational career. We see people with promise taking their place in society as parents, leaders, role models.

That is why when it comes to sponsorships, our number one commitment is to youth.

For the third consecutive year, BOB was the primary sponsor of a musical extravaganza starring children to raise funds for children. Called *Love That Child*, it raised money for three children's homes—Ranfurly Home for Children, Elizabeth Estates Children's Home and the Children's Emergency Hostel. And the most impressive parts of the show—organized by a team from the City of Brotherly Love—involved more than 150 children all singing and dancing and performing to raise funds for other children. *Love That Child* was inspired by the story of a young man who grew up at the Ranfurly Home and went on to become a manager at a major resort, demonstrating that where you come from does not define where you go. That young man, Damien Davis, said when he wrote the song *Love That Child*, he wanted to spread the word about how vital it was for children without parents capable of caring for them to have a roof over their head and a full belly when they lay their head down on a pillow at night. The story of the 'Philly Connection' arose from a visit from a young group of dancers and singers who were introduced to Damien and Ranfurly and the effort has mushroomed ever since.

Damian Davis, former Ranfurly Home resident and writer of the single Love That Child.



After years of lending support to various Royal Bahamas Police Force summer camps, BOB upped its contribution to the program this year by supplying food for all 10 summer camp locations, helping to feed up to 5,000 young people throughout New Providence who had a safe place to go and to participate in sports, crafts and other experiences during six weeks of the summer. For many, the summer camps have become the highlight of their year, not only offering a healthy alternative to a summer without plans, but leading to respect for authority and for many, a desire to join the RBPF when they graduate. With opportunities to participate in essay contests, debates, basketball tournaments, art classes and other competitive or team activities, the young males and females identified with others in their camp, creating a spirited summer rivalry with each camp trying to prove it was the best RBPF summer camp. BOB was proud to play such an important role.

The Prime Minister greets members of the executive team at the 25th Anniversary celebration for BOB.

Rewarding excellence is also an underpinning of BOB's sponsorship. When Olympic gold medallist Chris Brown approached us about supporting the 1st Chris Brown Bahamas Invitational Track Meet, we ran with it without hesitation. The bank believed in the team of four Bahamian males before they left for London in 2012 and showed that trust with sponsorship. When the team returned with a gold medal to crowds celebrating the victory and a nation that quickly re-named them the Golden Knights, BOB forged an even stronger alliance, signing with Chris 'Fireman' Brown as the face of BOB's new ATM Express machines.

Thousands of students in government schools will be able to see and learn more about the beauty of the country and its delicate ecological balance, thanks to BOB's sponsorship of a work by an award-winning film producer. Called *Islands of Life*, the hour-long video was more than a year in the making and following meetings between the Ministry of Education and BOB's Sponsorship Committee, the video and a teacher's guide will become part of the government school curriculum, helping to open the eyes of students to the magic and majesty of this nation's land and sea. As one member of BOB staff who reviewed the video said, "My daughter said, 'Daddy, I never knew The Bahamas was so beautiful. Can we go to the Family Islands, please, please on our next vacation?' In the past, he said, she wanted to go to Miami or Disneyworld, but now she wanted to see the flamingoes and swim with the fish.

In dozens of other sponsorships throughout the year, BOB backed causes from the fight against cancer to feeding the hungry and helping to clothe the poor, from responding to natural disasters to supporting the Urban Renewal Youth Band.

Bo Boudart, producer of Islands of Life documentary; Minister of Education Jerome Fitzgerald; Dominique Thompson, Bank of The Bahamas; Natasha Wright, Bahamas National Trust. Middle Row—Diane Phillips, DP&A; Eric Carey, Bahamas National Trust; Eleanor Phillips, The Nature Conservancy and Charlene Carey, BREEF. Top Row—Hamlin Newbold, Ministry of Education and Portia Sweeting, Bahamas National Trust.

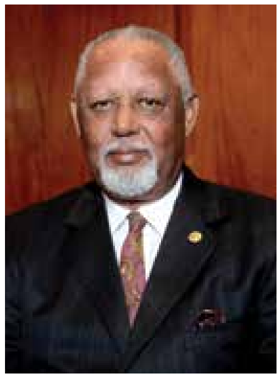
BOB also stepped up its role in other youth development activities, this year becoming the main sponsor for the Primary Student of the Year Award.

Minister of Education Jerome Fitzgerald and BOB Marketing Manager Dominique Thompson present Lauren Rolle with the Primary Student of the Year Award.

Executive Committee

Executive Management

Paul J.I. McWeeney
Managing Director



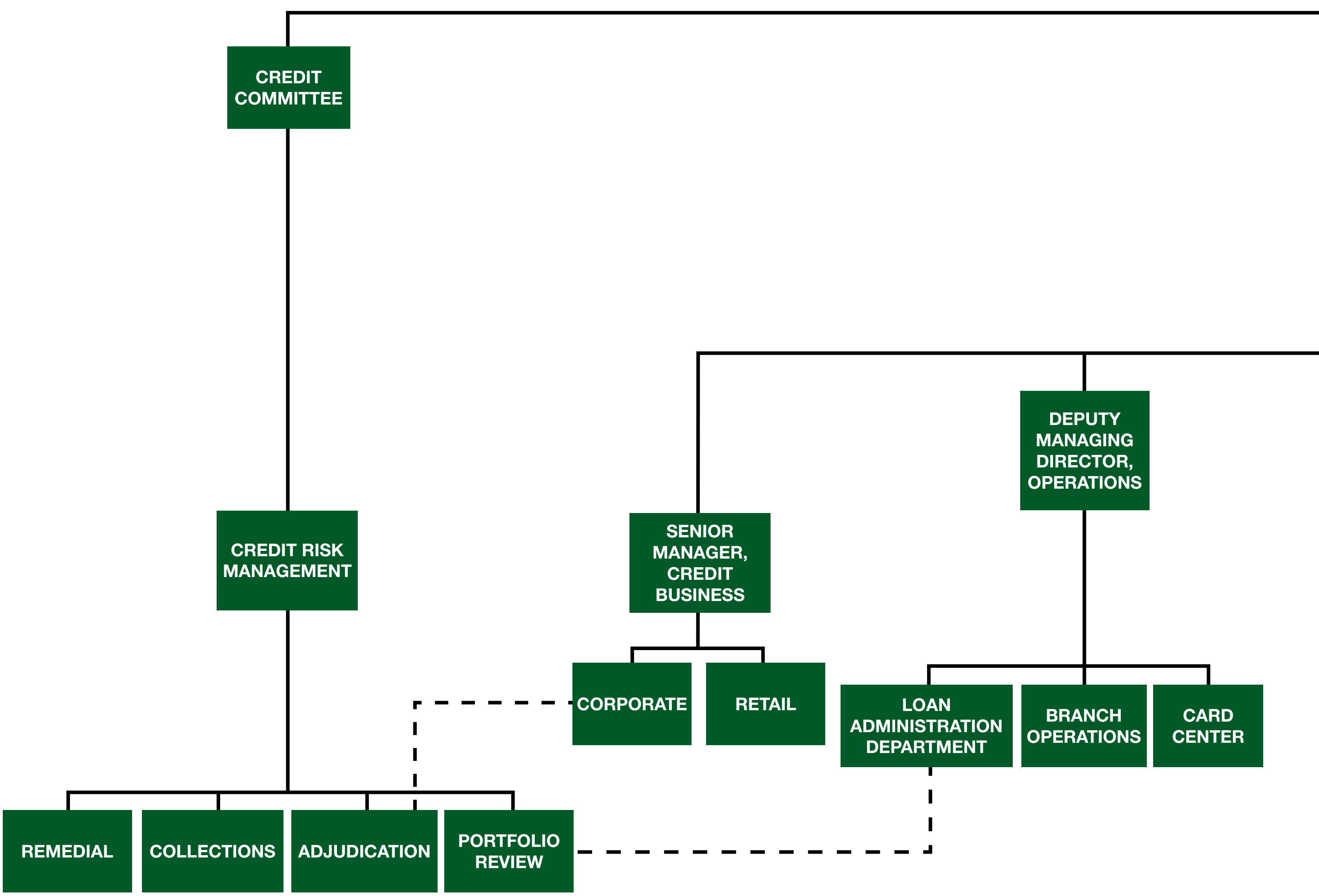
Wayde Christie,
Chief Operations Officer

Dario Lundy-Mortimer
Deputy Managing Director & CFO (Retired)

Leashawn McPhee
Acting CFO
Effective October 15, 2013

Vaughn Delaney
Deputy Managing Director, Information Technology

Organizational Chart

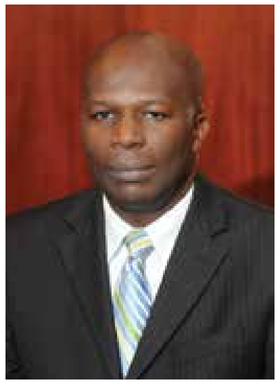


Senior Managers

Philice Albury
Senior Manager, Risk

Darryl Bartlett**
Senior Consultant,

Renee Davis
Deputy Managing Director, Operations



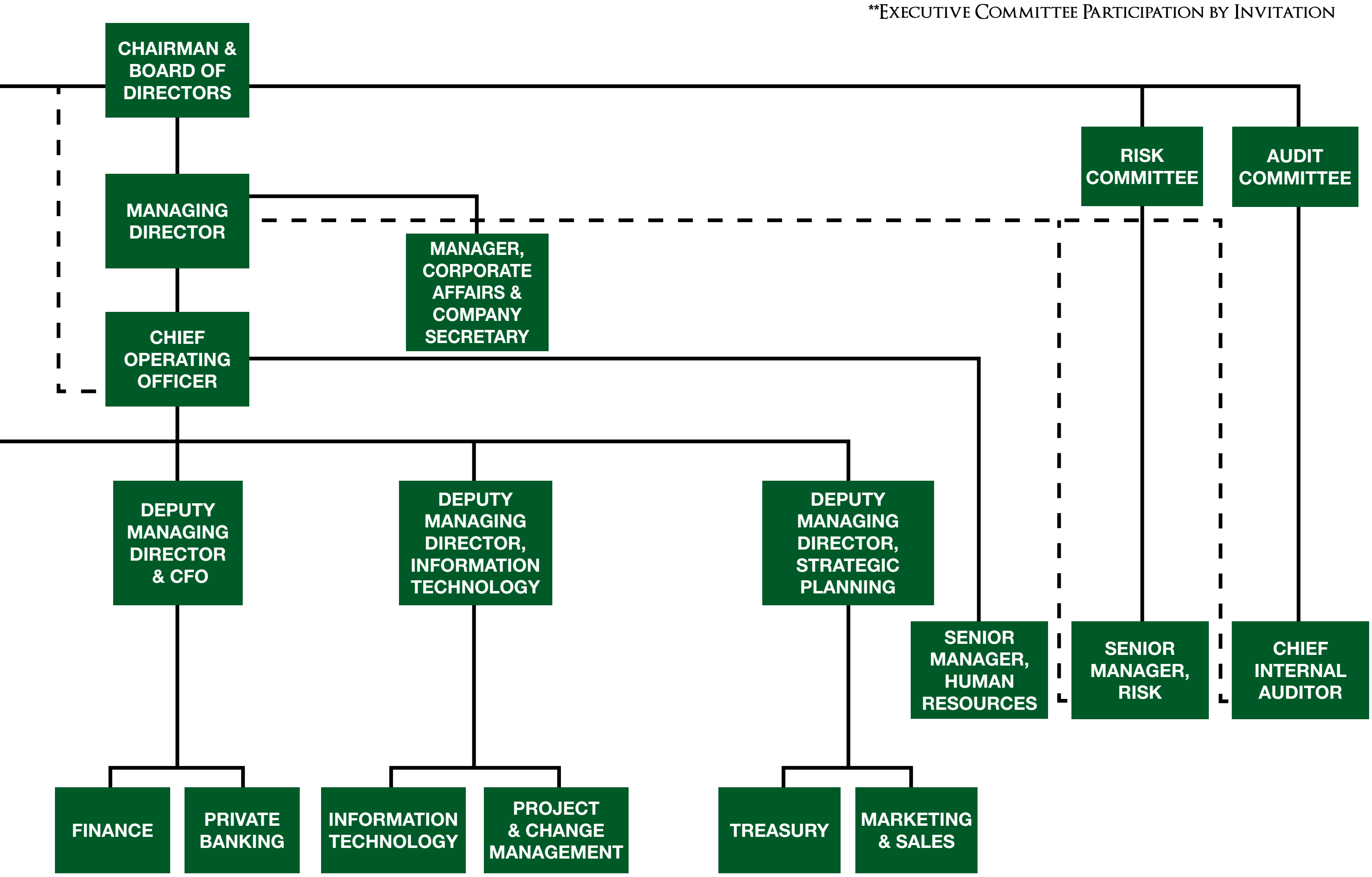
Hubert Edwards
Deputy Managing Director, Strategic Planning

Laura A. Williams
Manager, Corporate Affairs & Company Secretary

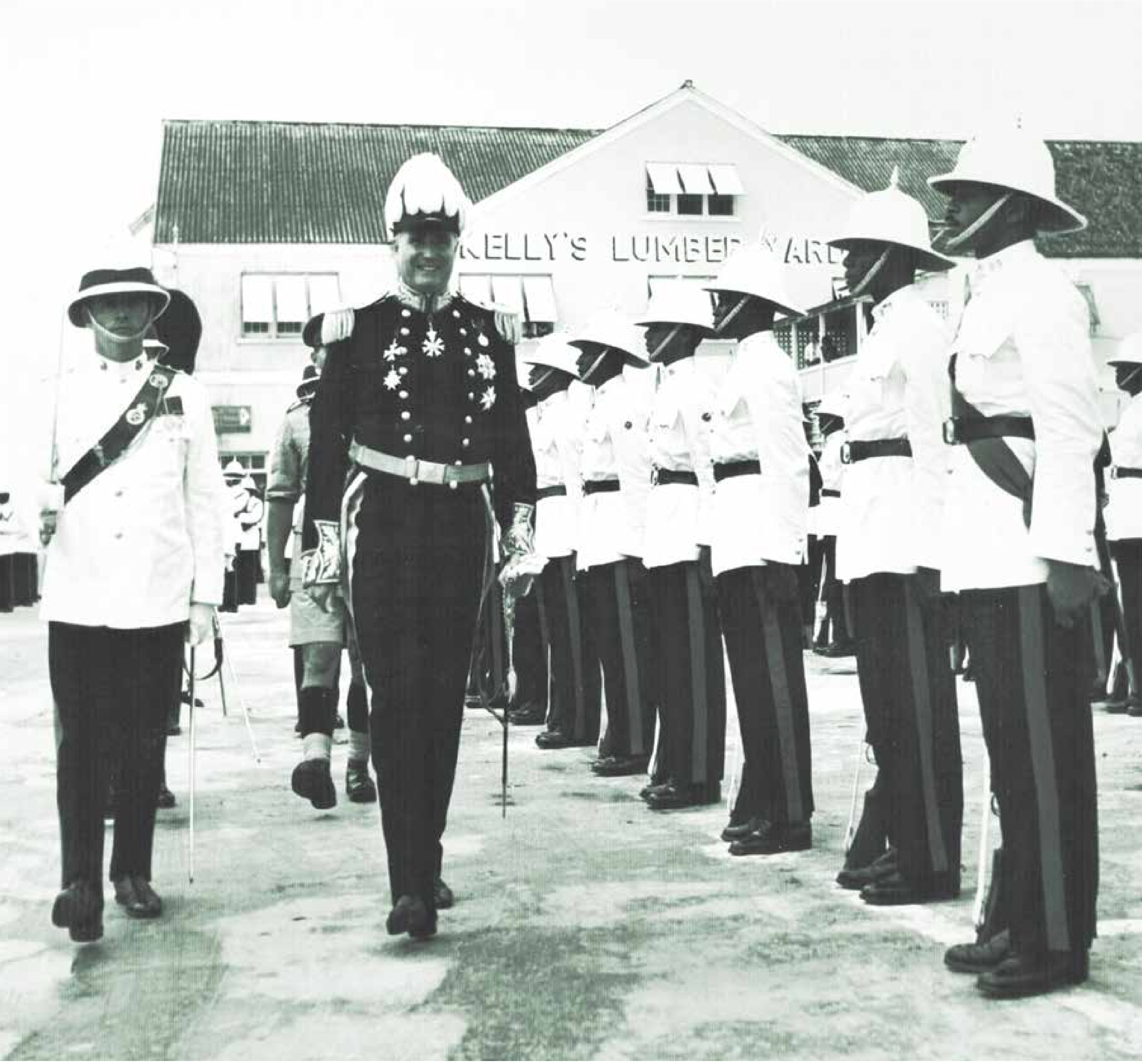
Dana Braynen
Senior Manager, Credit Business

Vanessa Taylor**
Chief Internal Auditor

**Executive Committee Participation by Invitation



The Bahamas' first steps toward independence with Roland Symonette, left, in 1964 taking the reins as head of state from Sir Arthur Raynor, who had served as governor of the then British colony. Symonette, later knighted, was known as Premier, a title that changed to Prime Minister in 1967. Cover photo by Roy Newbold helped Nassau Magazine document the moment in history.



Corporate Governance Principles
Bank of The Bahamas Limited

THE FOLLOWING PRINCIPLES WERE ADOPTED BY THE BOARD OF DIRECTORS ("THE BOARD") OF BANK OF THE BAHAMAS LIMITED ("THE BANK") AND PROVIDE THE FRAMEWORK FOR CORPORATE GOVERNANCE OF THE BANK.

ROLE OF BOARD OF DIRECTORS

The Board is accountable to its shareholders and therefore, ultimately responsible for the conduct of the Bank's affairs and operations. In light of this mandate, the Board is responsible for identifying risk and ensuring that it is adequately monitored and managed. And whilst the management of the day-to-day operations is delegated to the Bank's executives, the Board reviews policies and procedures and monitors to ensure that operations are carried out in compliance with applicable laws and regulations and are consistent with sound banking practices.

The Board's overall conduct is guided by its Corporate Governance Handbook which details the duties and potential liabilities of Directors and Officers of the Bank. Further, in order to evaluate the performance of Directors and the Board as a whole, the Board also participates in an assessment process.

BOARD COMPOSITION, STRUCTURE AND POLICIES

Board Membership

The Board is currently comprised of 11 non-executive Directors and one executive Director, the Managing Director, who is responsible for the general supervision of the business, affairs and concerns of the day-to-day operations of the Bank.

Director Conflict of Interest

The Bank has adopted a strict policy as it relates to conflict of interest issues and members of the Board as well as management and staff are expected to adhere to these policies. A Director who has a direct or indirect interest in a matter before the Board is expected to disclose this information and is expected to abstain from voting or participating directly or indirectly in the deliberations requiring approval.

Compensation of Directors

The total remuneration of the Board is approved at the Bank's AGM and may be divided among members as they see fit. Each non-executive Director is paid a fee of $20,000 per annum for his/her services. In addition, Directors are provided with a fee of $2,000 for each extra-ordinary sub-committee meeting up to a maximum of six extra-ordinary sub-committee meetings. The Chairman's remuneration is $100,000 per annum. The Deputy Chairman receives a fee of $50,000 per annum along with fees of $2,000 for any extra-ordinary sub-committee meetings up to a maximum of six sub-committee meetings.

Director Education

Each Director is expected to be knowledgeable about concepts discussed and to ensure that decisions made by the Board are reasonable. Toward this end, the Bank provides ongoing education opportunities for its Directors through seminars, trade publications and regulatory updates.

Independence of Directors

As part of its evaluation process, each candidate nominated to serve on the board completes a document to determine their independence in accordance with best practices and within the Central Bank of The Bahamas Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business within The Bahamas. Therefore, we can attest that the Board is comprised of a substantial majority of Directors who meet The Central Bank of The Bahamas' criteria for independence. Should a Director not meet this criteria during the course of the year of service on the Board, said Director is required to update the Board with any new information in relation to interests or relationships relevant to independence.

BOARD MEETINGS

Frequency of Meetings

Board meeting dates are scheduled and communicated with Directors at least a year in advance. In fiscal year 2013, four regular Board meetings and three extraordinary Board meetings were held.

Summary of Board Committee Meetings Held for the Year Ended June 30, 2013

- Audit, Controls, & Procedures Board Committee. . . . 5
- Credit Risk Board Committee. 7
- General Banking Operations Board Committee 3
- Finance & Capital Development Board Committee . . 3
- Information & Technology Board Committee 4
- Human Resources Board Committee 4
- Risk Management Board Committee 3

Attendance at Meetings

Regular attendance at all Board meetings, together with committee meetings and the AGM, is expected of all Directors. On the opposite page is a record of attendance during the 2013 fiscal year.

Preparation for Meetings

The Chairman along with the Managing Director prepares the agenda for each meeting. In addition, the Executive Committee provide reports on key issues to their respective Board Committees relative to the various units of the Bank. Directors may also request that certain items be added to the Agenda for discussion at the Board level.

Board materials are distributed 5 - 7 days in advance of a meeting to give Directors an opportunity to review reports and, where possible, to obtain additional information from management or pose any questions or concerns they may have prior to the meetings.

BOARD CERTIFICATION

Each year the Board is required to issue a Corporate Governance Statement to The Central Bank of The Bahamas confirming that it is familiar with the contents of the *Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business Within The Bahamas*, and is adhering to the guidelines as outlined. As part of this exercise, key areas of the Bank developed 'In-Control' statements. The Internal Audit Department reviews and tests the attestations made by management in this regard. Essentially, these documents capture the specific minimum reporting requirements for each division and its internal control systems, which ensure that each area is 'in control'. These reports are generated quarterly and presented at each Board meeting for review and ratification.

On April 26, 2013, the Board submitted its Annual Certification (see letter next page) to The Central Bank of The Bahamas confirming its compliance with the Corporate Governance Guidelines.

From July 1, 2012 to June 30, 2013

Name	Oct. 11, 2012	Nov. 23, 2012	March 5, 2013	March 15, 2013
Richard C. Demeritte	✓	✓	✓	✓
Rawson McDonald	✓	✓	✓	✓
**Alexander Reckley*	*n/a*	*n/a*	✓	✓
Don Davis	✓	✓	✓	✓
Donna Harding-Lee	✓	✓	✓	✓
Eric Gibson, Jr.	✓	✓	✓	✓
Errol McKinney	✓	✓	✗	✓
**Fr. James Moultrie*	*n/a*	*n/a*	✓	✓
John Wilson	✓	✓	✓	✓
Roger Minnis	✓	✓	✓	✓
Bishop Roston Davis	✓	✓	✓	✓
Paul J.I. McWeeney	✓	✓	✓	✓

Name	May 9, 2013	June 13, 2013	June 29, 2013
Richard C. Demeritte	✓	✓	✓
Rawson McDonald	✓	✓	✓
**Alexander Reckley*	✓	✓	✓
Don Davis	✗	✓	✓
Donna Harding-Lee	✓	✓	✓
Eric Gibson, Jr.	✓	✓	✓
Errol McKinney	✓	✓	✓
**Fr. James Moultrie*	✓	✓	✓
John Wilson	✓	✗	✗
Roger Minnis	✓	✓	✓
Bishop Roston Davis	✓	✓	✓
Paul J.I. McWeeney	✓	✓	✓

✓ = Present ✗ = Apologies

*Fr. James Moultrie and Mr. Alexander Reckley were appointed to the Board in 2013.

April 26, 2013

The Inspector of Banks and Trust Companies
The Central Bank of The Bahamas
Nassau, The Bahamas

Dear Sirs,

**RE: BANK OF THE BAHAMAS LIMITED –
BOARD OF DIRECTORS' ANNUAL CERTIFICATION
TO THE CENTRAL BANK OF THE BAHAMAS - DECEMBER 31, 2012**

a. The Board of Directors (the Board) of Bank of The Bahamas Limited (the Bank) is familiar with the contents of the *Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business Within The Bahamas* (the Guidelines), issued by The Central Bank of The Bahamas on December 13, 2001 (amended September 18, 2012), and acknowledges its role and responsibilities under the Guidelines;

b. The Independent Non-Executive Directors of the Board (INED) as listed below, for the period December 31, 2012, met the independence requirements as outlined in Section VII of the above guidelines.

   Dr. Richard C. Demeritte, Chairman

   Mr. Rawson McDonald, Deputy Chairman

   Mr. Don S. Davis

   Mrs. Donna M. Harding-Lee

   Bishop Roston L. Davis

   Mr. Roger L. Minnis

   Mr. Eric Gibson, Jr.

   Mr. Errol J. McKinney

   Mr. John F. Wilson

   *Fr. James Moultrie

   *Mr. Alexander Reckley

   *Subsequent to December 31, 2012, the major shareholder appointed and the following persons were approved as Directors on the Board of the Bank:-

   Fr. James Moultrie

   Mr. Alexander Reckley

c. While the Bank recognizes the importance of strengthening its systems and procedures to ensure a stronger corporate governance environment, the Board believes that the systems and procedures that are currently in place are adequate and, accordingly, is satisfied that the Board of Directors is performing its functions and fulfilling its responsibilities under those Guidelines;

d. The Board has carefully considered the reporting of Senior Management and other information provided in determining whether the Bank is following the Guidelines;

e. The Board will seek to implement the necessary policies and procedures in compliance with the Guidelines;

f. The Board is of the opinion that the Bank is fully compliant with the principles of the Guidelines.

   i. While we acknowledge that significant progress has been made, we do recognize that continued attention and progress are required in the following areas in order to further enhance the control environment of the Bank and improve the enterprise risk management process:

   - Formalization and full implementation of all Bank processes and policies;
   - Enhanced training efforts to ensure that all key stakeholders are proficient in their knowledge of the Bank's risks, products and operating standards;
   - Attention to address and monitor post implementation challenges with core banking systems;

- Monitoring of the credit portfolio to ensure that the quality of the Bank's assets remain strong during this period of economic uncertainty;
- Implementation of automated tools and reports to better monitor and assess the key risk areas within the Bank's control environment;
- Continued focus on ensuring high data quality and customer service standards;
- Resolution of internal and external examination deficiencies in a timely manner;

ii. Executive and Senior Management have been assigned to address the areas with deficiencies and we are confident that these areas will continue to be addressed with determination. An action plan to correct those deficiencies has been prepared and is being implemented; and

iii. A copy of the action plan has been submitted to the Inspector

g. During the period, the Board reviewed the Bank's comprehensive Business Continuity Plan (BCP). The Board will seek to ensure that the recovery strategies adopted in the Bank's BCP are valid, and that the Bank's BCP management team properly test the BCP moving forward;

h. The Board is performing its functions and fulfilling its obligations under the *Guidelines for the Minimum Standards for the Outsourcing of Material Functions* and has noted no deficiencies with respect of these Guidelines;

i. The Board has taken account of its obligations to comply with the *Guidelines for Licensees on the Prevention of Money Laundering and Countering the Financing of Terrorism*. Any deficiencies in respect of these Guidelines will be noted and an action plan to remedy the deficiencies will be prepared and submitted to the Inspector, indicating whether the necessary remedial action has been taken;

j. The Board notes that an internal audit has been completed and issues identified. We will seek to ensure that there is active monitoring of action plans to ensure timely resolution;

k. An action plan to remedy the deficiencies stated in the Bank's Report of Examination has been prepared and submitted to the Inspector and the agreed remedial actions are being addressed;

l. The Board is satisfied that the Bank has appropriate policies, procedures, processes and controls in place to ensure that inherent business risks, where they exist, are effectively managed; and

m. The Board has reviewed its large exposure policy statement and considers it appropriate to the Bank's operating circumstances.

n. The Bank has been granted the necessary approval for the appointment of a member of senior management as a compliance officer/money laundering reporting officer.

Based on the corrective actions being taken by Management and the formal representations made by the respective Executive and Senior Management, we are satisfied that the Bank is 'In-Control' with no material reservations.

Yours faithfully

On behalf of Bank of The Bahamas Limited Board of Directors:

Paul J.I. McWeeney, Managing Director

Richard C. Demeritte, Chairman


Advanced Guardhouse–Artillery Barracks
Fort Charlotte
A Conservation Center for
Metal Objects

Management Discussion

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR FINANCIAL YEAR END JUNE 30, 2013.

The Bank's overall performance for the year ended June 30, 2013 was significantly impacted by the continued uncertainty of the current economic environment. Mainly driven by the increase in non-performing loans and the further strengthening of credit provisions, the Bank generated a net loss of approximately $3.8 million. Profitability for the Bank is largely dependent on the performance of the loan portfolio and the financial results are reflective of the local economic conditions, which remained subdued due to the seasonal performance from the Bahamian tourism sector and weakness in employment levels. Although there were stable gains in foreign investment-led construction activity, the key tourism sector still exhibited signs of softness as evidenced by a contraction in the occupancy rate and the latest statistics reports the unemployment level within the country rising to an estimated 16.2%. Additionally, significant levels of foreclosed properties system-wide have negatively affected underlying property values, thereby exacerbating the intractable economic problems in the domestic credit markets.

Broadly, the condition of the Bahamian economy remains weak. In spite of improvements in the Asian markets, the Bahamian economy continues to be adversely impacted by the unevenness in the global economy as the United States and European markets remain challenged due to escalating debt levels. Consequently, loan delinquencies remain elevated forcing classifications to non-performing status. As a result of these circumstances, the financial performance during the year was diminished by intense upswings in net provisions motivated by the Bank's decision to strengthen its balance sheet in

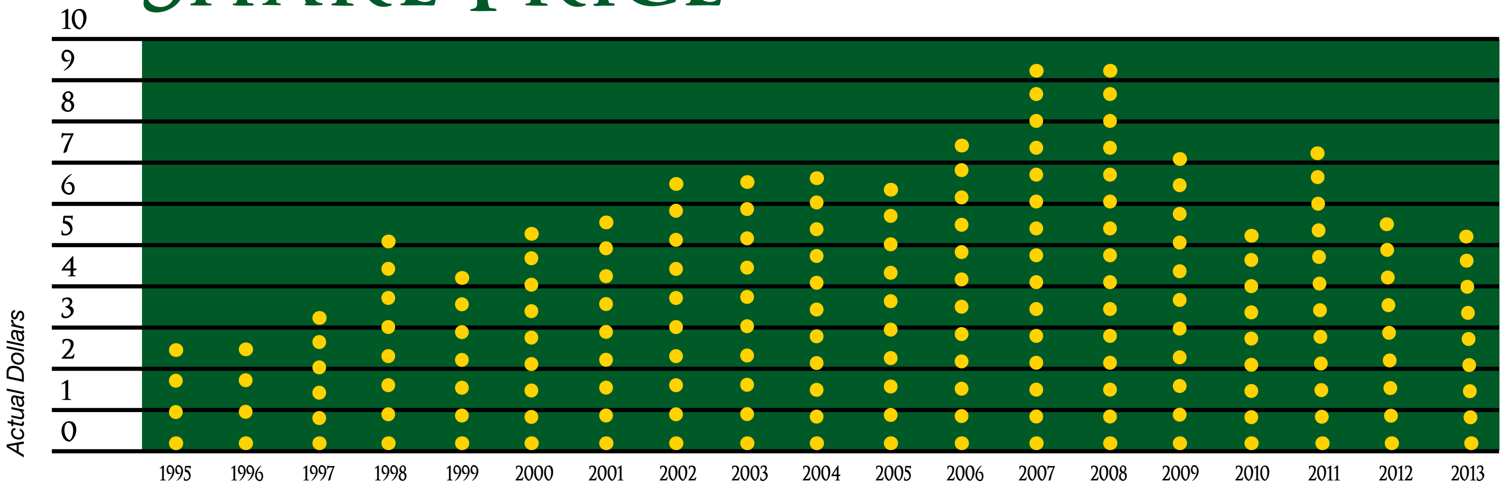
FINANCIAL HIGHLIGHTS

	2013	2012	2011	2010	2009	2008
Interest Income	$ 65.70	$ 62.03	$ 63.25	$ 55.99	$ 51.05	$ 52.60
Net Interest Income	$ 43.61	$ 37.52	$ 36.04	$ 31.41	$ 27.70	$ 29.40
Non Interest Income	$ 6.86	$ 6.47	$ 6.62	$ 7.05	$ 8.01	$ 6.15
Operating Expenses	$ 32.53	$ 29.72	$ 28.11	$ 26.40	$ 26.60	$ 26.50
Net (Loss) Income	$ (3.75)	$ 3.68	$ 4.51	$ 7.66	$ 5.80	$ 6.10
(Loss) Earnings per Share (EPS)	$ (0.39)	$ 0.08	$ 0.20	$ 0.32	$ 0.28	$ 0.32
Total Assets	$ 890.06	$ 861.26	$ 823.36	$ 778.37	$ 758.30	$ 734.41
Loans and Advances to Customers (net)	$ 735.09	$ 687.62	$ 668.71	$ 629.21	$ 555.61	$ 522.11
Total Liabilities	$ 747.87	$ 744.14	$ 706.77	$ 661.94	$ 644.35	$ 640.51
Shareholders Equity	$ 142.18	$ 117.12	$ 116.59	$ 116.43	$ 113.95	$ 94.00
Risk Adjusted Capital Ratio	22.89	20.67	23.05	24.07	27.70	21.49
Efficiency Ratio	44.83	43.39	41.61	68.64	74.49	74.54

$ Amounts are stated in Millions. The EPS in $, Capital and Efficiency Ratios are %

Left: Fort Charlotte

Share Price



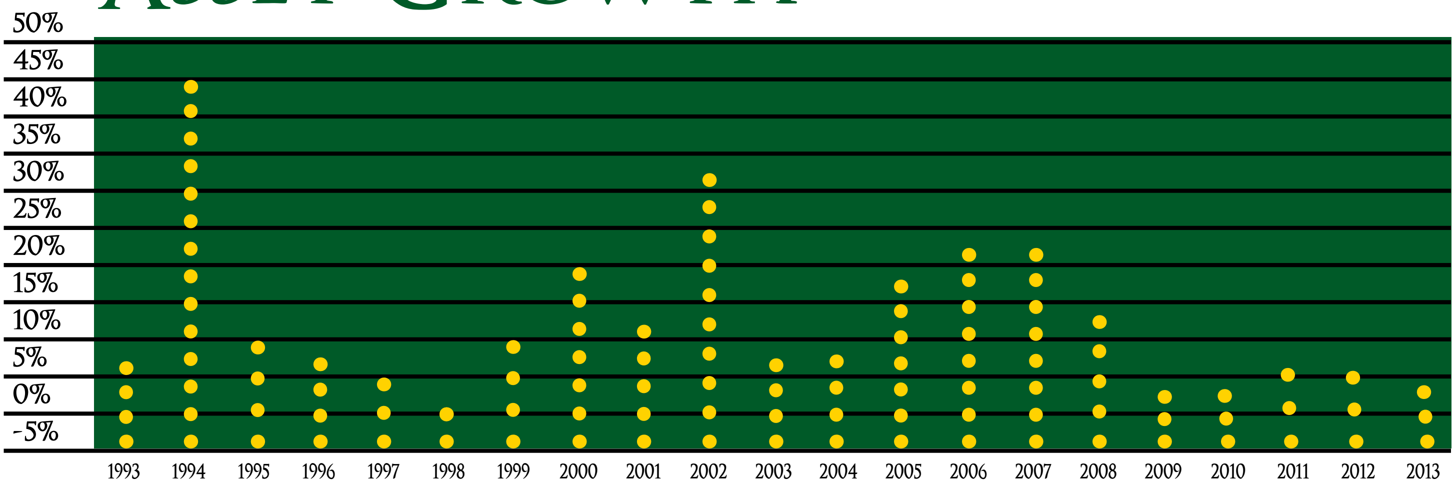
response to the pervasive deterioration in the credit market. Despite the overall net loss position however, the Bank was able to successfully grow assets by 3.3% over the prior year, raise new capital of $31.5 million therefore, increasing total equity to $142.2 million and grow its deposit base by 7.7% over prior year. The bank was also able to pay down other borrowed funds totaling $32 million and dividends to its preference shareholders amounting to $2.4 million during the period.

Notwithstanding the context of financial uncertainties and constrained growth within the current environment, the BOB team successfully executed strategic business objectives and growth was witnessed in several key areas. Total revenue for the period ended at $72.6 million compared to prior year of $68.5 million, an increase of $4.1 million or 5.9%. Total operating income ended at $50.0 million compared to prior year at $43.6 million. Of the $6.4 million positive variance, net interest revenue contributed $6.1 million as a result of higher interest income and lower interest expense. The growth in non-interest expense and net loan loss provisions however, have offset the aforementioned gains, reflecting the rising costs of conducting business across the industry and the adversities affecting our customers.

The Bank has a strong balance sheet with total assets of $890.1 million as of June 30, 2013 compared to $861.3 million in the prior year. The Bank's total capital ratio, which is considered the primary measure of the balance sheet's strength stood at 15.68% at June 30, 2013 versus 13.41% in the prior year. The Bank's risk adjusted capital ratio at the end of the fiscal year was 22.89% versus 20.67%, well above Central Bank's target ratio of 14 -17%. The Bank continues to maintain other strong prudential standards well within regulatory guidelines, thereby reinforcing financial integrity.

Innovative banking options for our customers remain a strategic focus for the Bank as we continue to invest in our human capital and information and technological infrastructure. Other key strategic initiatives include the launch of the Bank's new vision, mission and core operating values. Management is optimistic about the Bank's ability to perform even in the current economic environment and pride ourselves on the Bank's solid corporate governance regime including effective risk management. We will continue striving to be the best and most respected financial enterprise within the Bahamas; while working together to consistently provide exceptional customer experience and superior financial solutions.

Asset Growth



INTEREST AND SIMILAR INCOME

Interest income is the primary revenue source for the Bank. The Bank continues to grow credit facilities as the net loan portfolio increased by $47.5 million or 6.90%. As a consequence, interest income increased by 5.9% ending at $65.7 million as at June 2013 versus $62.0 million in the prior year. Despite the overall growth in the loan portfolio, interest income was negatively impacted by an increase in non-performing loans of $33.5 million or 39.18% as at June 30, 2013 ending at $118.9 million compared to $85.4 million in the prior year. The average loan yield for the Bank was 10.67% versus 10.32% in the prior year. The average loan yield for the Bank, although slightly improved, reflects the competitive market and the continued effects of non-performing loans within the Bank's credit portfolio.

INTEREST AND SIMILAR EXPENSE

Interest and similar expense trended lower, showing a decrease of approximately 9.85% over the previous year. Despite the overall deposit growth by approximately $51.8 million or 7.72%, the Bank was able to positively affect interest expense by reducing its other borrowed funds liability by $32 million through the early payout of mortgage-backed and National Insurance Bonds and has benefitted from the overall reduced rates on deposits due to the high level of liquidity within the banking system. The Bank continues to seek the best combination of funds to further diversify its deposit base.

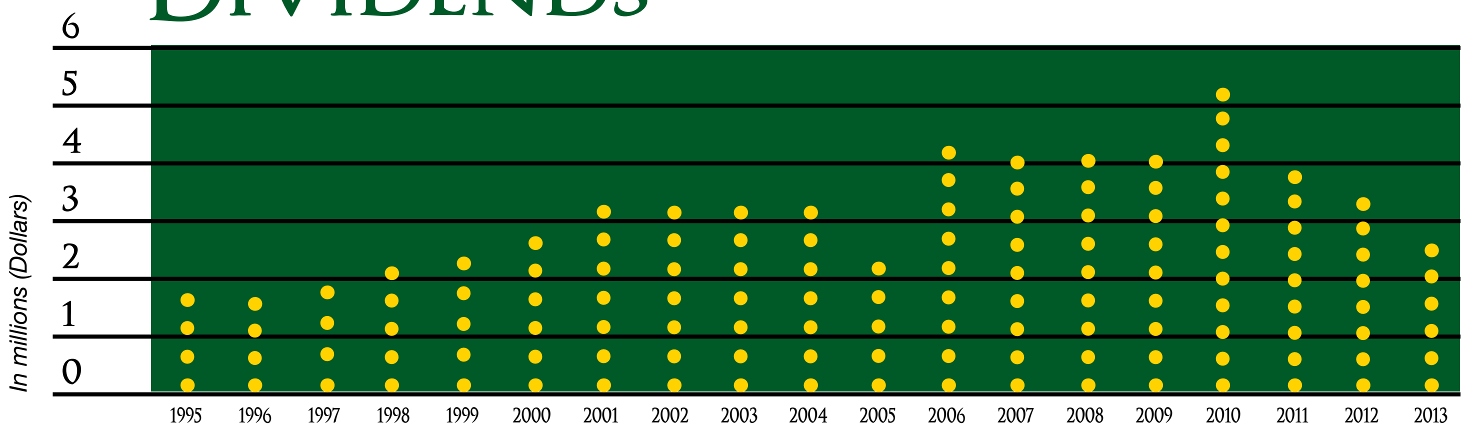
NET INTEREST INCOME

Net interest income represents the amount by which income on interest earning assets exceeds interest expense incurred on interest bearing deposits and other liabilities. The combination of an increase in interest income and a decrease in interest expense resulted in net interest income totaling $43.6 million, $6.1 million or 16.22% higher than prior year.

NON-INTEREST INCOME

The Bank's non-interest income totaled $6.9 million, an approximate increase of 6.02% over prior year. The increase was primarily driven by higher revenues from credit card transactions and the Bank's service fees and commission related activities. Although signs of improvement are evident, the Bank will place more emphasis on key revenue streams from non-interest income with a view to further strengthen non-interest revenue generating activities.

Dividends



CREDIT LOSS EXPENSE

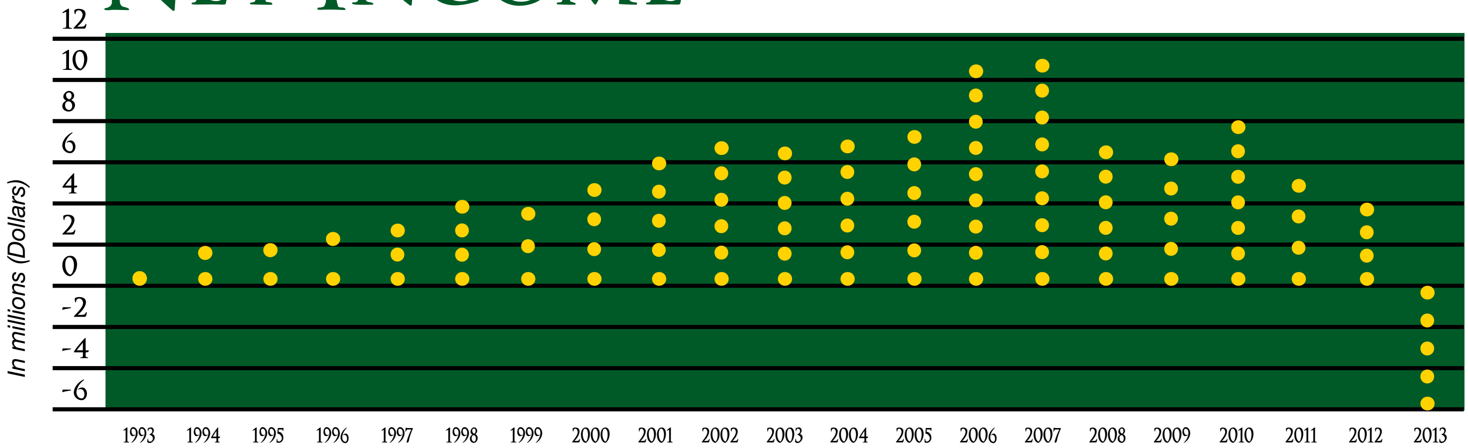
The level of loan loss provisions remains the major determinant in the Bank's overall profitability. The year end results again highlight the continued effects of non-performing loans within the Bank's lending portfolio. Credit metrics deteriorated as credit loss expense doubled during the year ending at $21.2 million, up by $10.9 million or 107.58% higher than the prior year. The banking sector as a whole is largely constrained by the softness in economic activity and the persistence of high unemployment. Total credit loss expense as a percentage of the net loan portfolio was 2.88% compared to 1.49% in the prior year. Credit loss provisions combined with credit related reserves in equity as a percentage of the net loan portfolio is 4.64% compared to 4.38% in the prior year.

The Bank is mindful of the need to be diligent with respect to new credit, and monitoring and assessing credit provisions within the existing portfolio. Enforcing and implementing sound lending practices is paramount in managing and mitigating the potential losses observed in the local and global financial sector. The Bank continues to aggressively modify its credit risk rating and scoring with respect to new credit, and monitoring and assessing credit provisions within the existing portfolio. Even with the precautionary steps taken, the need for new loan loss provisions based on the perceived and realizable quality of the underlying loan portfolio led to a credit quality of 16.18% at June 2013 compared to 12.43% in prior year and 14% across the industry. At year end, non-current loans totaled $118.9 million, compared to $85.4 million at prior year end. The Bank like other industry players remains challenged by the level of nonperforming loans within its lending portfolio.

OPERATING EXPENSES

Operating expenses grew by 9.44% year over year, ending at $32.5 million versus $29.7 million. Increased staff costs, licenses and other professional fees and other administrative expenses are the major contributors to the increase noted. The increase in staff costs highlights the Bank commitment to invest in and develop its human capital; while the elevated licenses and professional fees results from consultancy with a view of streamlining our operational flows for efficiency gains and increasing the Bank's product offerings. In general, the cost of business operations has increased due to the nature of the wider economy. As a result, the efficiency ratio was 44.83% for the current year versus prior year of 43.39%. The number of employees totaled 358 permanent and 23 temporary staff at the end of June 2013 compared to 349 and 45 respectively in the prior year. While staff costs remain the predominant factor for operating

NET INCOME



expenses, management continues to seek further ways of reducing or containing expenses through capital infrastructural investments and enhancements in operational processes.

STATEMENT OF FINANCIAL POSITION

The injection of $31.5 million in new capital at the year-end ensured that the Bank's statement of financial position remains strong and we continue to focus our efforts toward prudent financial and capital management. The Bank's risk management structure promotes sound business decisions. Investment securities consist primarily of government bonds and strategic reviews of the loan portfolio are performed to minimize our exposure to those balances where collectability may be uncertain.

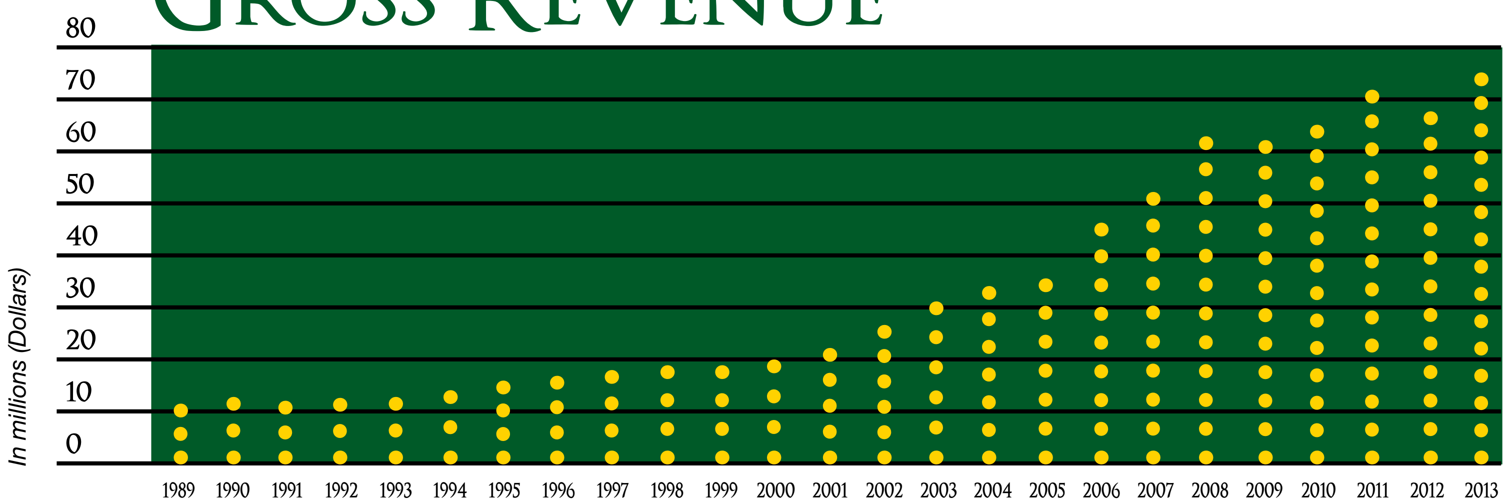
TOTAL ASSETS

Total assets improved by $28.8 million ending at $890.1 million despite the blend of economic weaknesses in key source markets. Primarily driven by a robust growth in the loan base, this represents a 3.34% positive shift over the prior year's balance of $861.3 million. Loans and advances to customers, net grew by $47.5 million or 6.90%. The strong loan growth is due primarily to the upward movement in commercial, mortgage and consumer loans, which account for 88.34% of the Bank's gross loans. The net change in provisions from $26.1 million to $30.1 million was an increase of $4.0 million or 15.39%. The growth in the Bank's assets was offset partially by a combined decrease of $19.2 million or 20.79% in Cash and account with The Central Bank and Due from Banks. The ratio of total net loans to total assets increased to 82.59% from 79.84% in the prior year.

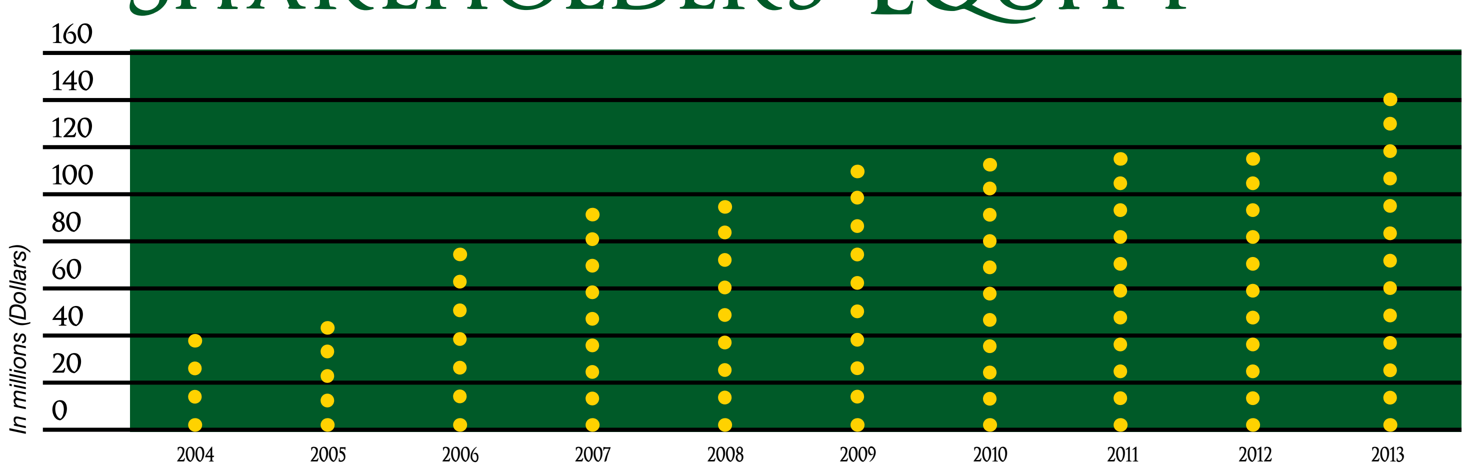
TOTAL LIABILITIES

Total liabilities was flat compared to prior year, marginally increasing by $3.7 million or 0.50% primarily due to the net movement in deposits from customers and banks, other borrowed funds and other liabilities. During the fiscal period, the Bank's total deposit base increased by approximately $51.8 million or 7.72%. The increase in deposits, particularly in the higher yielding deposit products, greatly assisted the Bank in bolstering its liquidity position, with term deposits accounting for $45.0 million of the growth. Concurrently, the Bank continued its initiative to reduce inorganic liabilities by redeeming $32 million in other borrowed funds. The Bank continues its initiatives to grow its deposit base and has maintained the level of liquidity required to support regulatory and internal requirements.

Gross Revenue



Shareholders' Equity



A quiet side street of days gone by

TOTAL SHAREHOLDERS' EQUITY

Total shareholders' equity stood at $142.2 million at June 2013 compared to $117.1 million as at June 30, 2012. Total equity expanded by $25.1 million or 21.40%, despite the negative impact of $6.2 million or 17.88% reduction in retained earnings due to the current year's loss and the payment of preference shares dividends. The net increase in equity was principally due to the issuance of additional non-voting common class "B" shares in the amount of $31.5 million to meet new capital standards resulting from Basel III. Common equity Tier 1 capital leverage remained strong ending at 100.98% and Tier 1 increased to 75.82% from 70.90% in the prior year. The Bank's total capital ratio ended at 15.68% at June 30, 2013 compared to 13.41% in prior year. The Risk Adjusted Capital Ratio stood at 22.89% at June 30, 2013 compared to 20.67% at June 30, 2012 and is well above the Central Bank's trigger and target capital ratios of 14% and 17% respectively. The capital of the Bank remains strong following the share issuance and has allowed the Bank to attain capital levels required to mitigate inherent business risks while satisfying regulatory requirements. Market price for the Bank's common shares stood at $5.23 as at June 2013.

The team at Bank of The Bahamas continues to work together to consistently provide exceptional customer service and superior financial solutions. Our bank was founded and remains committed to a tradition of financial integrity, quality and excellence. The key objective during these periods of uncertainty remains stability through prudent asset growth, sound liquidity management while maintaining healthy reserves and capital levels. Through product innovation, diversification and enhanced customer service, coupled with continual human capital development and new technology, the Bank will continue to deliver what we promise to our stakeholders and add value beyond what is expected.

The Management's discussion and analysis of the Bank's financial condition and results of operations is provided to enable the reader to assess the financial condition, material changes in the Bank's financial condition and result of operations including liquidity and capital resources for the fiscal year ended June 30, 2013. For a complete understanding of trends, events uncertainties and the effects of critical accounting estimates on the results of operations and financial conditions, this Management Discussion and Analysis should be read carefully together with the Bank's Consolidated Financial Statements and related notes.

ERNST & YOUNG

Ernst & Young
One Montague Place
3rd Floor
East Bay Street
P.O. Box N-3231
Nassau, Bahamas
Tel: + 1 242-502-6069
Fax: + 1 242-502-6090
www.ey.com

Independent Auditors' Report to The Shareholders and Directors of Bank Of The Bahamas Limited

We have audited the accompanying consolidated financial statements of Bank of The Bahamas Limited and its subsidiaries (the "Bank") which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as of June 30, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

August 28, 2013

Ernst + Young

A member firm of Ernst & Young Global Limited

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2013
(Expressed in Bahamian dollars)

	NOTE	2013	2012
ASSETS			
Cash and account with The Central Bank	5	$ 47,762,093	$ 57,827,169
Due from banks	5	25,573,666	34,756,798
Investment securities	6	60,780,439	59,174,584
Loans and advances to customers, net	7	735,088,784	687,623,605
Investment property	8	3,882,873	3,882,873
Other assets	9	3,165,142	4,881,860
Property and equipment, net	10	10,683,370	9,490,096
Intangible assets, net	11	3,120,016	3,621,049
TOTAL ASSETS		**$ 890,056,383**	**$ 861,258,034**
LIABILITIES			
Deposits from customers and banks	12	$ 723,241,226	$ 671,423,360
Other borrowed funds	13	5,000,000	37,000,000
Other liabilities	14	12,088,778	28,634,318
Deferred loan fees		7,543,798	7,083,064
Total liabilities		**747,873,802**	**744,140,742**
EQUITY			
Share capital	15	56,038,935	50,015,990
Share premium	15	54,004,621	28,587,866
Treasury shares	16	(930,809)	(531,768)
Reserves	17	4,508,851	4,266,896
Retained earnings		28,560,983	34,778,308
Total equity		**142,182,581**	**117,117,292**
TOTAL		**$ 890,056,383**	**$ 861,258,034**

These consolidated financial statements were approved by the Board of Directors on August 28, 2013 and are signed on its behalf by:

Director   Director

See accompanying notes

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2013
(Expressed in Bahamian dollars)

	NOTE	2013	2012
Interest and similar income	18	$ 65,700,748	$ 62,031,384
Interest and similar expense	18	22,095,373	24,510,596
Net interest income	18	43,605,375	37,520,788
Fees and commission income	19	4,196,482	3,552,113
Fees and commission expense		483,208	372,463
Net fees and commission income		3,713,274	3,179,650
Other operating income	20	2,658,674	2,913,720
Total operating income		49,977,323	43,614,158
Credit loss expense, net	7	(21,204,880)	(10,215,382)
Net operating income		28,772,443	33,398,776
Operating expenses	21	32,527,268	29,721,714
NET (LOSS)/INCOME		**(3,754,825)**	**3,677,062**
Other comprehensive income			
Net gain on available-for-sale financial assets	17	241,955	149,129
Total comprehensive (loss)/income for the year		**(3,512,870)**	**3,826,191**
Net (loss)/income		(3,754,825)	3,677,062
Preference share dividends	27	(2,462,500)	(2,462,498)
NET (LOSS)/INCOME AVAILABLE TO COMMON SHAREHOLDERS		**$ (6,217,325)**	**$ 1,214,564**
Earnings per share			
Basic (loss)/earnings per ordinary share	27	$ (0.39)	$ 0.08

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED JUNE 30, 2013
(Expressed in Bahamian dollars)

	Note	Share Capital	Share Premium	Treasury Shares	Reserves	Retained Earnings	Total Equity
Balance, June 30, 2011 (as restated)	2	$ 50,015,990	$ 28,587,866	$ (473,822)	$ 4,117,767	$ 34,339,415	$ 116,587,216
Net income for the year		-	-	-	-	3,677,062	3,677,062
Acquisition of treasury shares	16	-	-	(57,946)	-	-	(57,946)
Other comprehensive income	17	-	-	-	149,129	-	149,129
Dividends on preference shares	27	-	-	-	-	(2,462,498)	(2,462,498)
Dividends paid to ordinary shareholders	27	-	-	-	-	(775,671)	(775,671)
Balance, June 30, 2012		50,015,990	28,587,866	(531,768)	4,266,896	34,778,308	117,117,292
Net loss for the year		-	-	-	-	(3,754,825)	(3,754,825)
Issuance of Class ‘B’ Ordinary Shares	15	6,022,945	25,416,755	-	-	-	31,439,700
Acquisition of treasury shares	16	-	-	(399,041)	-	-	(399,041)
Other comprehensive income	17	-	-	-	241,955	-	241,955
Dividends on preference shares	27	-	-	-	-	(2,462,500)	(2,462,500)
Balance, June 30, 2013		**$ 56,038,935**	**$ 54,004,621**	**$ (930,809)**	**$ 4,508,851**	**$ 28,560,983**	**$ 142,182,581**

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013
(Expressed in Bahamian dollars)

	NOTE	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/income		$ (3,754,825)	$ 3,677,062
Adjustments for:			
Depreciation and amortization	21	2,362,252	1,930,094
Gain on disposal of fixed assets		-	(325)
Net provision for loan losses	7	21,204,880	10,215,382
Net provision for other impairments		-	118,422
		19,812,307	15,940,635
Change in operating assets and liabilities		(15,606,749)	12,549,042
Increase in loans and advances to customers, net		(68,670,059)	(29,128,148)
Increase in deposits from customers and banks		51,817,866	22,032,609
Net cash (used in)/provided by operating activities		(12,646,635)	21,394,138
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment	10	(2,819,090)	(3,841,606)
Acquisition of intangible assets	11	(235,403)	(269,632)
Purchase of investments	6	(11,038,900)	(10,156,999)
Proceeds from disposal of property and equipment		-	548
Proceeds from maturity of investment securities	6	9,675,000	-
Net cash used in investing activities		(4,418,393)	(14,267,689)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of ordinary shares	15	$ 31,439,700	$ -
Dividends paid on common stock		-	(775,671)
Dividends on preference shares	27	(2,462,500)	(2,462,498)
(Decrease)/increase in interest payable on bonds		(19,911)	4,425
Acquisition of treasury shares	16	(399,041)	(57,946)
Retirement of debt securities	13	(32,000,000)	-
Net cash used in financing activities		(3,441,752)	(3,291,690)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(20,506,780)**	**3,834,759**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**66,169,279**	**62,334,520**
CASH AND CASH EQUIVALENTS, END OF YEAR	**5**	**$ 45,662,499**	**$ 66,169,279**
SUPPLEMENTAL INFORMATION:			
Interest received		$ 63,958,675	$ 58,259,960
Interest paid		$ 22,672,550	$ 24,962,701
Dividends paid		$ 2,462,500	$ 3,238,169

See accompanying notes.

1. CORPORATE INFORMATION

Bank of The Bahamas Limited (the "Bank"), trading as Bank of The Bahamas International, is incorporated under the laws of The Commonwealth of The Bahamas. The Bank is licensed under the provisions of the Bank and Trust Companies Regulations Act 2000. The Bank is also licensed as an authorized dealer pursuant to the Exchange Control Regulations Act. The Bank is the holder of a broker dealer license from the Securities Commission.

The Bank's shares are publicly traded and listed on The Bahamas International Securities Exchange. The Government of The Commonwealth of The Bahamas and The National Insurance Board own approximately 65% of the issued common shares. The remaining common shares are owned by approximately 4,000 Bahamian shareholders. The Bank's head office is located at Claughton House, Shirley and Charlotte Streets. The registered office is located at Sassoon House, Shirley Street, Victoria Avenue, Nassau, The Bahamas.

The Bank's services include the provision of commercial and retail banking and trust services, private banking and the issuance of Visa branded stored value, prepaid and credit cards. The Bank has thirteen branches: five in New Providence, two in Grand Bahama, two in Andros, one in San Salvador, one in Exuma, one in Inagua and one in Cat Island. A wholly-owned subsidiary of the Bank, BOB Financial Services Inc. was incorporated in Coral Gables, Florida on June 30, 2005 and commenced operations December 10, 2007. The main activities of BOB Financial Services Inc. were the provision of trade financing and other financial services. Effective June 30, 2013, the Bank ceased the operations of BOB Financial Services Inc. The subsidiary is presently in voluntary liquidation.

The Bank is an agent for American Express and MoneyGram.

2. BASIS OF PREPARATION

The Bank's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale financial assets and investment property which have been measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(a) New and amended standards and interpretations

The accounting policies adopted are consistent with those used in the previous financial year. The following International Accounting Standards (IAS) issued by IASB and IFRS issued by the International Financial Reporting Interpretations Committee (IFRIC) are relevant to the Bank.

Amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Bank:

- IAS 1 Amendments - Presentation of items of Other Comprehensive Income
- IAS 12 Amendments - Deferred Tax: Recovery of Underlying Assets

continued

2. BASIS OF PREPARATION (CONTINUED)

Standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Bank's accounting periods beginning on or after January 1, 2013 or later periods but which the Bank has not early adopted are as follows:

Effective for annual periods beginning on or after January 1, 2013:

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement
- IAS 27 (Revised) - Separate Financial Statements
- IAS 28 (Revised) - Investments in Associates and Joint Ventures
- IAS 19 (Revised) - Employee Benefits
- Amendments to IFRS 7 - Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 1 - Government Loans
- Annual Improvements to IFRSs 2009-2011 Cycle

Effective for annual periods beginning on or after January 1, 2014:

- Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities

Effective for annual periods beginning on or after January 1, 2015:

- IFRS 9 — Financial Instruments (issued in 2010)
- Amendments to IFRS 7 and IFRS 9 - Mandatory Effective Date and Transition Disclosures

The Bank is currently assessing the impact of the new and revised standards, however, does not anticipate any material impact on the results of its operations from the implementation of these new standards when they become effective.

(b) Basis of consolidation

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are de-consolidated from the date on which control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the Bank using consistent accounting policies. Inter-company balances, transactions, income and expenses are eliminated in full. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(c) Correction of Errors

The Bank sold a mortgage indemnity product as an integral part of the mortgage loan facility, previously recorded as other liabilities with income being recognized as other operating income. During fiscal year 2012, the Bank revised its policy and accounted for this product as an additional loan fee with income being recognized using the effective interest rate basis and reclassified the ending liability portion to deferred loan fees. Additionally, the Bank understated its credit loss expense by inappropriately considering the mortgage indemnity product as part of the collateral amount in assessing any shortfall between the security value and the outstanding balance.

The correction of these errors has been accounted for retrospectively. As a result, the opening retained earnings decreased by $782,259 for the year ended June 30, 2011.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Certain amounts included in or affecting the consolidated financial statements and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A "critical accounting estimate" is one which is both important to the presentation of the Bank's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. Management evaluates such estimates on an ongoing basis based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances.

Tangible assets
The Bank has made significant investments in physical assets. These are tested for impairment when circumstances indicate there may be a potential impairment. Changes in circumstances and management's evaluations and assumptions may give rise to impairment losses in the relevant future periods. As at June 30, 2013, no impairment losses were recorded for the reporting period.

Depreciation and amortization
Depreciation and amortization is based on management estimates of the future useful lives of property and equipment. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful lives and in the amortization or depreciation charges. The Bank reviews the future useful lives of property and equipment periodically taking into consideration the factors mentioned above and all other important factors. Estimated useful lives for similar types of assets may vary due to factors such as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate etc. In case of significant changes in the estimated useful lives, depreciation and amortization charges are adjusted prospectively.

Impairment losses on loans and advances to customers and banks
The Bank has significant investments in loans receivable. These assets are assessed for impairment at least on a quarterly basis. Management's process for this assessment is presented in Note 4d. Loans receivable are closely monitored, and adjustments made in future periods if the performance of the portfolio declines due to circumstances which arise during those periods.

Investments
The Bank has significant investment holdings. These investments are primarily Bahamas Government Registered Stock and are assessed for impairment on an ongoing basis. Management's process for this assessment is presented in Note 4d. Changes in circumstances and management's evaluations and assumptions may give rise to impairment losses in the relevant future periods.

Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The impairment test calculation requires the Bank to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Cash flows are determined by using the projected inflows and adjusting for non-cash transactions primarily depreciation and loan losses, less projected capital outflows.

The impairment charge is determined by taking the difference between the present value of the unit's projected cash flow and its book value. As of June 30, 2013 no impairment loss was recognized for the reported period. Further details are presented in Note 11.

Deferred loan fees
In accordance with International Accounting Standard 18: Revenue Recognition, commitment fees received to originate a loan or fees that are an integral part of the effective interest rate of a financial instrument, together with the related transaction cost, are deferred and recognized as an adjustment of the effective interest rate. Any changes in average loan term will be recognized prospectively in interest income in the consolidated statement of comprehensive income. Although management amortizes the loan commitment and loan related fees using the average loan term, an adjustment is made to correct the loan commitment fees for the estimated effective interest rate method. In the opinion of management, the difference between the amortization to income using the average loan term and the effective interest rate is immaterial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied by the Bank:

a. Revenue and expense recognition

Interest and similar income and expense
For all financial instruments measured at amortized cost, interest income or expense is recorded at the effective interest rate. The calculation of amortized costs takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument. The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expenses.

Fee and commission income
The Bank earns fee and commission income from a diverse range of services it provides to its customers. Fees and commissions are generally recognized on an accrual basis when the service has been provided.

Fee income earned from services that are provided over a certain period of time
Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services
Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

b. Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash with The Central Bank of The Bahamas, amounts due from other banks, and short-term government securities.

c. Financial Instruments

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Financial assets
The Bank classifies its financial assets in the following categories: Loans and receivables; held-to-maturity investments; and available-for-sale investments. Management determines the classification of its investments at initial recognition.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Bank upon initial recognition designates as available-for-sale; or those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

(ii) Held-to-maturity financial assets
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognized in the consolidated statement of comprehensive income when the investments are derecognized or impaired, as well as through the amortization process.

(iii) Available-for-sale financial assets
Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the consolidated statement of comprehensive income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in the consolidated statement of comprehensive income.

continued

Financial liabilities
The Bank's financial liabilities include deposits from customers and banks. Deposits from customers and banks represent demand and time deposits held by the Bank for the benefit of third parties. The deposits are carried at amortized cost.

d. Impairment of financial assets

The Bank assesses at each statement of financial condition date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Non-accrual loans and overdrafts are identified as impaired and placed on a cash (non-accrual) basis when it is determined that the payment of interest or principal is doubtful of collection, or when interest or principal is past due 90 days or more, except for loans that are fully secured and in the process of collection, and loans to or guaranteed by The Government of The Commonwealth of The Bahamas. A loan is fully secured when the net realizable value of the collateral equals or exceeds the principal and outstanding interest. A loan is considered to be in the process of collection if the collection efforts are reasonably expected to result in repayment of principal and interest, or restoration to current status.

When a loan is identified as non-accrual, the accrual of interest is discontinued and any previously accrued but unpaid interest is charged against current earnings. Thereafter, interest is included in earnings only to the extent actually received in cash. While accrued interest is tracked for non-accrual loans, it is not added to the principal nor recognized as income, but rather is suspended.

Cash basis loans are returned to accrual status when all contractual principal and interest amounts have been brought current, are reasonably assured of repayment and/or there is a sustained period of repayment performance in accordance with contractual terms.

Provision for loan losses
Provision for loan losses represents management's estimate of probable losses inherent in the loan portfolio. The provision for loan losses is increased by charges to operating expense net of recoveries. Provision for loan losses is comprised of specific and a collective assessment.

The specific provision is maintained to reflect anticipated losses related to specific loans, or in the case of consumer loans that are not secured by real estate, on the aggregate portfolio. This specific provision is established for non-consumer loans and consumer loans secured by real estate individually when, in management's view, collection of interest and/or principal is doubtful. The amount of specific provision is based on the extent to which the principal is judged to be uncollectible.

The specific provision for an impaired collateral-dependent loan, where repayment is expected to be provided solely by the sale of the underlying collateral, is set at an amount equal to the difference between the principal balance and the net realizable value of the collateral. Net realizable value represents the discounted fair value of the collateral less all costs associated with its disposition. For unsecured loans, the Bank calculates the provision by applying factors based on the past due status of the loans.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purposes of a collective assessment of impairment, loans are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for loans by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Future cash flows for loans that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the loans in the Bank and historical loss experience for loans with similar credit risk characteristics. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Consumer loans that are not fully secured by real estate are fully provided for when they are contractually in arrears more than 180 days. All other loans are provided for when the following conditions exist: i) contractually in arrears; ii) underlying collateral has been exhausted; and iii) no payment has been received within 180 days thereafter. Where a loan is being provided for, specific provision is increased to the principal amount of the loan.

Renegotiated loans
Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated any impairment is measured using the original effective interest rate as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate.

Available-for-sale (AFS) financial assets
For AFS financial investments, the Bank assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of debt instruments classified as AFS, the Bank assess individually whether there is object evidence of impairment based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Held-to-maturity financial assets
The Bank assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Derecognition of financial assets and financial liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either:
    - The Bank has transferred substantially all the risks and rewards of the asset, or
    - The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the bank's continuing involvement in the asset. In that case, the bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

f. Foreign currency

The reporting and functional currency of the Bank is the Bahamian dollar (B$). Transactions in foreign currencies are converted to B$ at the rate of exchange prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are converted into B$ at market rates of exchange prevailing on the consolidated statement of financial condition date. Realized and unrealized foreign exchange gains and losses are included in the consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost or amortised cost are recorded at the exchange rate ruling at the date of transaction.

g. Property and equipment

Property and equipment (excluding the building) are stated at historical cost excluding day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. The building is stated at estimated salvage value of $384,951 with subsequent additions at cost less accumulated depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation and amortization are calculated using the straight-line method to write down cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

Building	50 years
Leasehold improvements	3-5 years
Furniture, fixtures and equipment	2-10 years

Leasehold improvements are amortised over the shorter of the economic useful life of the asset or the lease term and taking into consideration any extension of the lease term if there is reasonable expectation of renewal. The amortization term however does not exceed five years. Land is not depreciated.

Property and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

i. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

j. Related parties

Related parties include all Ministries and Departments of The Bahamas Government, Government Corporations, Subsidiaries and Agencies as well as directors and key management personnel of the Bank. All transactions with related parties are based on rates and terms used in the normal course of business, except for reduced rates for borrowings by the Bank's personnel.

k. Employee benefits

The Bank operates a defined contribution plan (the "Plan") where the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive payment obligations once contributions have been paid. The Plan allows eligible employees (those who have attained 18 years of age and confirmed in their positions) to contribute a minimum of 3.50% of their annual salaries and the Bank contributes 6.50%. Employees become fully vested after 5 years of plan membership. The Plan's costs are charged to general and administrative expenses and are funded as accrued. The Bank operates an Employee Share Ownership Plan (ESOP) where the Bank matches employees' share purchases up to 25%. The matching contributions vest over 5 years. The costs of ESOP are charged to general administrative expenses.

l. Earnings per share

Basic earnings per share is computed by dividing the net income attributable to common shareholders by the weighted average number of shares outstanding during the year.

m. Fiduciary activities

The Bank acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Bank.

n. Taxes

A subsidiary of the Bank is in liquidation (Note 32) and is required to comply with United States Federal and State tax laws. The accounts for the tax effect of the subsidiary are recognized in accordance with IAS 12 Accounting for Taxes on Income. Accordingly deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and Laws) that have been enacted or substantially enacted by the statement of financial condition date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. As at June 30, 2013, the subsidiary of the Bank which is in liquidation had a deferred tax asset of $627,978 and will more than likely not realize this amount. The Bank provides a valuation allowance against deferred tax assets, if based on the weight of evidence available, it is more likely than not that some or all of the deferred tax assets will not be realized.

o. Investment property

Investment property, which is property that management intends to develop for rental purposes, is measured initially at cost, including transaction costs and thereafter it is stated at fair value based on appraisals by recognized valuation experts. Additions to investment property are also recorded at cost. On an annual basis the investment property is assessed for impairment with gains and losses arising from changes in the fair value of the investment property included in the consolidated statement of comprehensive income for the period in which they arise.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

q. Computer software

Acquired computer software costs and licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line basis of accounting over the expected useful life. Software has a maximum expected useful life of 10 years.

r. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

s. Share capital

(i) Share issue costs
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(ii) Dividends on shares
Dividends on common and preferred shares are recognized in equity in the period in which they are approved by the Bank's Directors and regulators.

(iii) Treasury shares
Where the Bank has purchased its own equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

t. Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

u. Leases

Operating lease payments are recognized as an expense on a straight line basis over the lease term and included in 'operating expenses', in the consolidated statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the consolidated statement of financial position.

w. Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in the consolidated statement of comprehensive income, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the consolidated statement of comprehensive income in 'Credit loss expense'. The premium received is recognised in the consolidated statement of comprehensive income in 'Net fees and commission income' on a straight line basis over the life of the guarantee.

5. CASH AND CASH EQUIVALENTS

The following is an analysis of cash and cash equivalents.

Not included in cash and cash equivalents is the statutory reserve account with The Central Bank of The Bahamas ("the Central Bank") of $27,673,260 (2012: $26,414,688). Mandatory reserve deposits represent the Bank's regulatory requirement to maintain a percentage of deposit liabilities as cash or deposits with the Central Bank. These funds are not available to finance the Bank's day-to-day operations. All balances with The Central Bank of The Bahamas are non-interest bearing.

	2013	2012
Cash	$ 8,803,365	$ 7,648,139
Deposits with the Central Bank non-interest bearing (Note 24)	38,958,728	50,179,030
Due from banks	25,573,666	34,756,798
Cash and due from banks	73,335,759	92,583,967
Less: mandatory reserve deposits with the Central Bank	27,673,260	26,414,688
Cash and cash equivalents	**$ 45,662,499**	**$ 66,169,279**

6. INVESTMENT SECURITIES

Investment securities comprise equity and debt securities classified into the following categories:

	2013	2012
AVAILABLE-FOR-SALE		
Bahamas Registered Stock (Note 24)	$ 39,084,400	$ 33,045,500
Equity Securities	731,539	489,584
Debt Securities	4,000,000	4,000,000
	$ 43,815,939	**$ 37,535,084**
HELD-TO-MATURITY		
Bahamas Registered Stock (Note 24)	$ 16,828,000	$ 21,503,000
Bridge Authority Bond (Note 24)	136,500	136,500
	$ 16,964,500	**$ 21,639,500**
TOTAL INVESTMENT SECURITIES	**$ 60,780,439**	**$ 59,174,584**

As of the year end reporting date, government securities mainly comprise variable rate bonds tied to the Bahamian $ Prime Rate issued by The Bahamas Government with interest rates ranging from 4.03% to 6.00% per annum (2012: from 4.83% to 6.00% per annum) and scheduled maturities between 2014 and 2035 (2012: between 2012 and 2033).

The movements in the categories of investment securities are as follows:

	Available-for-sale	Held-to-maturity	Total
At July 1, 2011	$ 27,228,956	$ 21,639,500	$ 48,868,456
Additions	10,156,999	-	10,156,999
Net fair value gain (Note 17)	149,129	-	149,129
At June 30, 2012	**$ 37,535,084**	**$ 21,639,500**	**$ 59,174,584**
At July 1, 2012	$ 37,535,084	$ 21,639,500	$ 59,174,584
Additions	11,038,900	-	11,038,900
Maturities	(5,000,000)	(4,675,000)	(9,675,000)
Net fair value gain (Note 17)	241,955	-	241,955
At June 30, 2013	**$ 43,815,939**	**$ 16,964,500**	**$ 60,780,439**

7. LOANS AND ADVANCES TO CUSTOMERS, NET

Loans and advances to customers are as follows:

	2013	2012
Mortgage loans	$ 403,609,163	$ 386,950,957
Commercial loans	200,014,845	163,414,609
Consumer loans	61,646,855	48,756,084
Credit cards	1,243,773	1,700,893
Business overdrafts	61,414,686	74,884,939
Personal overdrafts	18,552,342	20,679,751
Government guaranteed student loans	6,564,974	6,814,894
	$ 753,046,638	$ 703,202,127
LESS: PROVISION FOR LOAN LOSSES		
At beginning of year	$ 26,117,806	$ 18,875,957
Amount written-off	(17,184,253)	(2,973,533)
Net provision charged to expense	21,204,880	10,215,382
At end of year	30,138,433	26,117,806
Accrued interest receivable	12,180,579	10,539,284
Loans and advances to customers, net	**$ 735,088,784**	**$ 687,623,605**

During the year, the Bank wrote-off loans totaling $17,184,253 (2012: $2,973,533) against its specific provision. These loans, however, are subject to the Bank's ongoing collections efforts. Included in the consolidated statement of comprehensive income are net recoveries of $316,107 and (2012: ($48,177)).

Loan loss provisions are as follows:

SPECIFIC PROVISIONS	2013	2012
Mortgage Loans	$ 6,866,908	$ 4,891,334
Commercial Loans	14,618,831	13,601,277
Consumer Loans	5,076,675	3,667,967
Credit Cards	184,719	823,734
	26,747,133	**22,984,312**
Collective Assessment	**3,391,300**	**3,133,494**
TOTAL	**$ 30,138,433**	**$ 26,117,806**

PROVISIONS AS A PERCENTAGE OF THE NET LOAN PORTFOLIO	**4.10%**	**3.80%**
PROVISIONS AND EQUITY PROVISIONS AS A PERCENTAGE OF THE NET LOAN PORTFOLIO	**4.64%**	**4.38%**
PROVISIONS AND EQUITY RESERVES COVERAGE AS A PERCENTAGE OF NON-ACCRUAL LOANS	**28.71%**	**35.25%**

Non-accrual loans are as follows:

	2013	2012
Mortgage Loans	$ 79,578,589	$ 49,670,692
Commercial Loans	29,608,648	27,341,574
Consumer Loans	9,548,358	8,010,207
Credit Cards	190,023	426,048
TOTAL	**$ 118,925,618**	**$ 85,448,521**
PERCENTAGE OF LOAN PORTFOLIO (NET)	**16.18%**	**12.43%**
PERCENTAGE OF TOTAL ASSETS	**13.36%**	**9.92%**

continued

7. LOANS AND ADVANCES TO CUSTOMERS, NET (CONTINUED)

The following is an analysis of the concentration of loans and advances to customers by outstanding balances:

	2013		2012	
	Value	No. of Loans	Value	No. of Loans
$0 - $ 10,000	$ 12,139,480	5,318	$ 13,299,498	4,320
$10,001 - $ 25,000	24,564,744	1,462	22,562,862	1,347
$25,001 - $ 50,000	28,510,995	793	23,997,852	664
$50,001 - $100,000	53,369,078	739	45,218,061	621
Over $100,000	634,462,341	1,695	598,123,854	1,666
	$ 753,046,638	**10,007**	**$ 703,202,127**	**8,618**

The table below shows the distribution of loans and advances to customers that are neither past due or impaired:

	2013	2012
Satisfactory Risk	$ 152,435,783	$ 331,400,684
Watch List	170,217,582	86,063,192
Sub-standard but not impaired	146,427,081	75,840,124
	$ 469,080,446	**$ 493,304,000**

The following is an analysis of loans and advances by credit quality:

In ($000s)	2013 Principal Balance	2013 Restructured	2013 Total	2012 Principal Balance	2012 Restructured	2012 Total
MORTGAGES						
Neither past due or impaired	$ 228,067	$ 29,560	$ 257,627	$ 247,188	$ 16,621	$ 263,809
Past due but not impaired	55,601	10,802	66,403	66,104	7,366	73,470
Impaired	62,495	17,084	79,579	47,286	2,385	49,671
	$ 346,163	$ 57,446	$ 403,609	$ 360,578	$ 26,372	$ 386,950
COMMERCIAL						
Neither past due or impaired	$ 51,064	$ 31,065	$ 82,129	$ 42,281	$ 51,602	$ 93,883
Past due but not impaired	40,877	47,400	88,277	33,209	8,981	42,190
Impaired	26,053	3,556	29,609	24,542	2,800	27,342
	$ 117,994	$ 82,021	$ 200,015	$ 100,032	$ 63,383	$ 163,415
CONSUMER						
Neither past due or impaired	$ 47,379	$ 1,193	$ 48,572	$ 38,395	$ 562	$ 38,957
Past due but not impaired	9,724	367	10,091	8,277	327	8,604
Impaired	8,362	1,186	9,548	7,731	279	8,010
	$ 65,465	$ 2,746	$ 68,211	$ 54,403	$ 1,168	$ 55,571
CREDIT CARDS						
Neither past due or impaired	$ 785	$ -	$ 785	$ 1,090	$ -	$ 1,090
Past due but not impaired	269	-	269	185	-	185
Impaired	190	-	190	426	-	426
	$ 1,244	$ -	$ 1,244	$ 1,701	$ -	$ 1,701
BUSINESS OVERDRAFTS						
Neither past due or impaired	$ 61,415	$ -	$ 61,415	$ 74,885	$ -	$ 74,885
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 61,415	$ -	$ 61,415	$ 74,885	$ -	$ 74,885
PERSONAL OVERDRAFTS						
Neither past due or impaired	$ 18,552	$ -	$ 18,552	$ 20,680	$ -	$ 20,680
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 18,552	$ -	$ 18,552	$ 20,680	$ -	$ 20,680

continued

7. LOANS AND ADVANCES TO CUSTOMERS, NET (CONTINUED)

The analysis of the age of loans and advances to customers that were past due but not impaired is as follows:

2013

In ($000s)	Residential Mortgage	Commercial	Consumer	Credit Card	Total
Past due up to 29 days	$ 21,106	$ 21,073	$ 3,019	$ 194	$ 45,392
Past due 30 - 59 days	23,607	10,219	4,432	32	38,290
Past due 60 - 89 days	21,690	56,985	2,640	43	81,358
	$ 66,403	**$ 88,277**	**$ 10,091**	**$ 269**	**$ 165,040**

2012

In ($000s)	Residential Mortgage	Commercial	Consumer	Credit Card	Total
Past due up to 29 days	$ 17,757	$ 8,300	$ 2,100	$ 146	$ 28,303
Past due 30 - 59 days	35,214	7,472	2,539	16	45,241
Past due 60 - 89 days	20,499	26,418	3,965	23	50,905
	$ 73,470	**$ 42,190**	**$ 8,604**	**$ 185**	**$ 124,449**

8. INVESTMENT PROPERTY

The Bank owns land which is located at West Bay Street, Nassau.

It is management's intention to construct a commercial office complex on this land. 30% of the complex will be used to house the Bank's headquarters, a retail branch and the remaining 70% will be available for commercial rental. Management has allocated the land using these percentages and in accordance with IAS 16 Property, Plant and Equipment management has classified the portion of that land that has been allocated to be used for its headquarters as fixed assets and that portion of the land that has been allocated for commercial rental as investment property in accordance with IAS 40: Investment Property.

During the fiscal year 2012, the Bank engaged the services of a real estate and valuation expert who holds a recognized and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. The investment property balance for the year is $3,882,873 and (2012: $3,882,873).

9. OTHER ASSETS

Other assets are comprised of the following:

	2013	2012
Accounts receivables	$ 255,682	$ 837,766
Prepaid assets	2,171,500	2,294,984
Cheque clearing account	16,156	1,167,653
Other assets	721,804	581,457
	$ 3,165,142	**$ 4,881,860**

Included in other assets is the Bank's investment in the Bahamas Automated Clearing House Limited in the amount of $259,480 (2012: $280,970).

10. PROPERTY AND EQUIPMENT, NET

The movement in property and equipment during the year is as follows:

	Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Total
COST:				
Balance as at June 2011	$ 2,547,815	$ 3,044,259	$ 6,550,783	$ 12,142,857
Additions	-	860,618	2,980,988	3,841,606
Disposal	-	-	(2,666)	(2,666)
Balance as at June 2012	2,547,815	3,904,877	9,529,105	15,981,797
Additions	-	2,447,024	372,066	2,819,090
Balance as at June 2013	**$ 2,547,815**	**$ 6,351,901**	**$ 9,901,171**	**$ 18,800,887**
ACCUMULATED DEPRECIATION:				
Balance as at June 2011	$ 734,842	$ 2,332,030	$ 2,191,123	$ 5,257,995
Depreciation (Note 21)	-	416,026	820,124	1,236,150
Disposal	-	-	(2,444)	(2,444)
Balance as at June 2012	734,842	2,748,056	3,008,803	6,491,701
Depreciation (Note 21)	-	572,289	1,053,527	1,625,816
Balance as at June 2013	**$ 734,842**	**$ 3,320,345**	**$ 4,062,330**	**$ 8,117,517**
NET BOOK VALUE:				
Balance as at June 30, 2013	**$ 1,812,973**	**$ 3,031,556**	**$ 5,838,841**	**$ 10,683,370**
Balance as at June 30, 2012	**$ 1,812,973**	**$ 1,156,821**	**$ 6,520,302**	**$ 9,490,096**

Land in the amount of $1,428,020 (2012: $1,428,020) is included in land and building.

Included as a part of property and equipment is work in progress not yet in operation and on which no depreciation has been charged in the amount of $990,729 (2012: $3,098,393).

11. INTANGIBLE ASSETS, NET

	Goodwill	Software	Total
Balance as at June 30, 2011	$ 1,075,759	$ 2,969,602	$ 4,045,361
Additions	-	269,632	269,632
Accumulated amortisation (Note 21)	-	(693,944)	(693,944)
Closing as at June 30, 2012	$ 1,075,759	$ 2,545,290	$ 3,621,049
Balance as at June 30, 2012	$ 1,075,759	$ 2,545,290	$ 3,621,049
Additions	-	235,403	235,403
Accumulated amortisation (Note 21)	-	(736,436)	(736,436)
Closing as at June 30, 2013	**$ 1,075,759**	**$ 2,044,257**	**$ 3,120,016**

Goodwill arose during the bank's acquisition of the business of the former Workers Bank Limited. Goodwill is allocated to the Harrold Road Branch where the book of business is managed. The recoverable amount is based on a value in use calculation using cash flow projections from budgets approved by management covering a five year period. The discount rate applied to the cash flow projections is 6.65% (2012: 6.63%). As at June 30, 2013, management determined that goodwill was not impaired (2012: $Nil).

12. DEPOSITS FROM CUSTOMERS AND BANKS

Deposits from customers and banks are as follows:

	2013	2012
Term deposits	$ 572,856,274	$ 527,858,144
Demand deposits	88,349,528	82,630,356
Savings accounts	55,837,146	54,179,316
	717,042,948	664,667,816
Accrued interest payable	6,198,278	6,755,544
	$ 723,241,226	**$ 671,423,360**

The following is an analysis of the concentration of deposits from customers and banks by size of deposits:

	2013		2012	
	Value	**No. of Deposits**	**Value**	**No. of Deposits**
$0 - $ 10,000	$ 25,815,281	45,138	$ 25,715,137	44,293
$10,001 - $ 25,000	21,006,651	1,359	20,754,068	1,351
$25,001 - $ 50,000	21,775,292	620	19,605,707	557
$50,001 - $100,000	30,751,638	450	31,163,766	453
Over $100,000	617,694,086	767	567,429,138	743
	$ 717,042,948	**48,334**	**$ 664,667,816**	**47,397**

In 1999, The Central Bank established the Deposit Insurance Corporation (the "Corporation"). The Bank paid an annual premium of $217,773 (2012: $198,196) to the Corporation, which insures the funds of all individual Bahamian dollar depositors of the Bank up to a maximum of $50,000.

13. OTHER BORROWED FUNDS

BONDS PAYABLE

Bonds payable were issued to the National Insurance Board on May 1, 2002, and bear interest at the Bahamian dollar prime rate which at year end was 4.75% (2012: 4.75%). Interest expense during the year on these instruments totaled $717,576 (2012: $809,713). These bonds are secured by the equivalent amount under a trust agreement by specific performing loans granted under the Government Guaranteed Advanced Education Loan Scheme and/or other qualifying assets which include Government registered stock and cash. During the period, the Bank redeemed the outstanding bonds payable. Interest payable on bonds at year end was $Nil (2012: $19,911).

The amounts and maturity dates are as follows:

Description	Maturity	2013	2012
Prime bond series A	Due December 31, 2012	$ -	$ 3,500,000
Prime bond series B	Due December 31, 2013	-	4,800,000
Prime bond series C	Due December 31, 2014	-	2,600,000
Prime bond series D	Due December 31, 2015	-	6,100,000
		$ -	**$ 17,000,000**

MORTGAGE BACKED BONDS

Mortgage backed bonds bearing interest of 1.75% above Bahamian dollar prime rate which yields an effective rate of 6.50% were issued in a private placement on January 1, 2007. Interest expense on these instruments during the year 2013 totaled $750,349 (2012: $1,303,562). In accordance with the trust agreement, these bonds are secured by the equivalent amount of performing mortgage loans in the Bank's loan portfolio.

Description	Maturity	2013	2012
Mortgage backed bonds Series F	2022	$ -	$ 4,000,000
Mortgage backed bonds Series G	2023	-	4,000,000
Mortgage backed bonds Series H	2024	500,000	4,000,000
Mortgage backed bonds Series I	2025	2,000,000	4,000,000
Mortgage backed bonds Series J	2026	2,500,000	4,000,000
		$ 5,000,000	**$ 20,000,000**

14. OTHER LIABILITIES

Other liabilities consist of the following:

	2013	2012
Accounts Payable	$ 2,839,282	$ 2,135,617
Other Liabilities	4,339,559	5,948,100
Cardholders Liability	1,337,465	1,432,983
Cheques and other items in transit	3,572,472	19,117,618
	$ 12,088,778	**$ 28,634,318**

15. SHARE CAPITAL

Share capital consists of the following:

	2013	2012
Authorized:		
125,000 Preference shares of B$1,000 each (2012: 125,000)	$125,000,000	$125,000,000
25,000,000 Ordinary shares (voting) of B$1 each (2012: 25,000,000)	$ 25,000,000	$ 25,000,000
10,000,000 Ordinary shares (non-voting) of B$1 each (2012: Nil)	$ 10,000,000	$ -
Issued and fully paid:		
34,415.99 Preference shares of B$1,000 each (2012: 34,415.99)	$ 34,415,990	$ 34,415,990
15,439,134 Ordinary shares (voting) of B$1 each (2012: 15,513,414)	$ 15,439,134	$ 15,513,414
6,022,945 Ordinary shares (non-voting) of B$1 each (2012: Nil)	$ 6,022,945	$ -
Treasury shares:		
160,866 issued previously at B$1 each (2012: 86,586)	$ 160,866	$ 86,586
	$ 56,038,935	**$ 50,015,990**

Preference shares

The Bank's shareholders approved resolutions to increase the authorized share capital of the Bank and allow the issuance of non-voting cumulative preference shares redeemable at the discretion of the Board of Directors. On June 30, 2006 and during May 7, 2009 the Bank issued a total of B$15,000,000 and B$20,000,000 in redeemable preference shares at a rate of 2.00% and 2.50% above the Bahamian dollar prime rate which yields an effective interest rate of 6.75% and 7.25% respectively per annum. In accordance with International Financial Reporting Standards, as the preference shares are classified as equity, the dividends on these shares are paid out of retained earnings. Costs totaling $235,010 and $349,000 related to the preference share offering respectively were netted against the proceeds.

Ordinary shares

During the period, the Bank's shareholders approved resolutions to increase the authorized share capital of the Bank and allow for the issuance of a separate class of B$10,000,000 non-voting common shares. On June 28, 2013 the Bank issued a total of 6,022,945 Class B non-voting ordinary shares to its major shareholder at a share price of $5.23. Costs totaling $60,300 related to this common share offering was netted against the proceeds and resulted in additional share premium of $25,416,755. The issuance of these shares will allow the Bank to meet new capital standards resulting from Basel III regulations and directives of The Central Bank of The Bahamas, the Bank's regulator.

16. TREASURY SHARES

In 2004, the Bank acquired 45,000 of its shares for the purpose of establishing an employee stock incentive plan. On June 30, 2007, the stock plan expired. The number of shares remaining at that time was 3,855. During 2011 and 2013, the Bank's Board of Directors approved the repurchase of $750,000 and $750,000 respectively of the Bank's own shares. The implementation of the share repurchase plan is a strategy to enhance the shareholder value to existing shareholders. During the period July 2012 through to June 2013 the Bank acquired 74,280 of its own shares for $402,513 including fees and commissions. As at June 30, 2013, the Bank held treasury shares of 160,866 (2012: 86,586).

17. RESERVES

Reserves are comprised of the net gain on remeasurement of available-for-sale securities to fair value as of the reporting date and regulatory credit reserves for loan loss provisions. Previously, the Bank recorded all credit reserves as a valuation allowance against loans and advances to customers. The Bank subsequently established a regulatory credit reserve as an appropriation to retained earnings. In circumstances where the Central Bank guidelines and regulatory rules require provisions in excess of those calculated under IFRS, the difference is accounted for as an appropriation of retained earnings and is included in a non-distributable regulatory credit reserve in retained earnings. Banking regulations of the Central Bank require a general provision in respect of the Bank's loans of at least 1%. As of June 30, 2013 the regulatory credit reserves amount to $4,000,000 (2012: $4,000,000).

	2013	2012
Balance, beginning of year	$ 4,266,896	$ 4,117,767
Fair value gains, net during the year (Note 6)	241,955	149,129
Balance, end of year	**$ 4,508,851**	**$ 4,266,896**

18. NET INTEREST INCOME

	2013	2012
Interest and similar income		
Cash and short term investments	$ 31,211	$ 115,193
Investment securities	2,996,222	2,728,717
Loans and advances to customers	62,673,315	59,187,474
	65,700,748	62,031,384
Interest and similar expense		
Banks and customers	20,627,448	22,397,322
Debt securities (Note 13)	1,467,925	2,113,274
	22,095,373	24,510,596
Total net interest income	**$ 43,605,375**	**$ 37,520,788**

19. FEE AND COMMISSION INCOME

	2013	2012
Deposit services fees and commissions	$ 2,170,150	$ 1,999,749
Credit services fees and commissions	237,199	273,830
Card services fees and commissions	1,418,178	820,684
Other fees and commissions	370,955	457,850
Total fee and commission income	**$ 4,196,482**	**$ 3,552,113**

20. OTHER OPERATING INCOME

	2013	2012
Foreign exchange	$ 1,547,036	$ 1,777,466
Other	1,111,638	1,136,254
Total other operating income	**$ 2,658,674**	**$ 2,913,720**

21. OPERATING EXPENSES

	2013	2012
Staff costs	$ 18,420,384	$ 17,577,239
Occupancy	3,680,608	3,628,154
Licenses and other fees	2,885,449	2,257,381
Other administrative expenses	2,310,598	1,403,268
Information technology	1,381,688	1,232,978
Advertising, marketing and donations	707,117	863,570
Telecommunication and postage	440,010	403,968
Travel and entertainment	339,162	425,062
Operating expenses	**$ 30,165,016**	**$ 27,791,620**
Depreciation of property and equipment (Note 10)	$ 1,625,816	$ 1,236,150
Amortization of software (Note 11)	736,436	693,944
Depreciation and amortisation	$ 2,362,252	$ 1,930,094
Total Operating Expenses	**$ 32,527,268**	**$ 29,721,714**

22. CONTINGENCIES

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to lend. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act.

Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. Various legal proceedings are pending that challenge certain actions of the Bank. Most of these proceedings are loan-related and are reactions to steps taken by the Bank to collect delinquent loans and enforce its rights against collateral securing such loans. Management considers that the aggregate liability resulting from these proceedings will not be material.

23. COMMITMENTS

(a) The approximate minimum rental commitments (exclusive of the effect of escalation clauses as to taxes, maintenance, etc.) under operating leases for the year ending June 30, 2013, are as follows:

	2013	2012
No later than 1 year	$ 364,938	$ 452,657
Later than 1 year and no later than 5 years	940,466	1,698,906
Total	**$ 1,305,404**	**$ 2,151,563**

Rental expense (including service charges) totaled $1,784,125 (2012: $1,826,965).

All leases contain renewal options for the next 5 years as well as escalation clauses. There are no contingent rent payables or any additional restrictions placed on these lease arrangements.

(a) The commitment for loans at June 30, 2013 was $11,767,418 (2012: $15,409,239).

(b) The Bank has a commitment for future capital expenditure of $63,400 (2012: $74,489).

(c) The Bank has a commitment with Visa of $450,000 (2012: $450,000).

(d) The Bank has a commitment with Master Card of $150,000 (2012: $150,000).

(e) The Bank has letters of credit and guarantees of $2,494,349 (2012: $2,469,248).

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All loans to related parties are secured in the regular course of business; there were no provisions for doubtful debts against any of these balances as at June 30, 2013 (2012: Nil). No provision expense has been recognized in these consolidated financial statements on loans to related parties.

	Government	Other Government Entities	Key Management	Total 2013	Total 2012
Assets					
Cash and cash equivalents (Note 5)	$ -	$ 38,958,728	$ -	$ 38,958,728	$ 50,179,030
Investment securities (Note 6)	56,048,900	-	-	56,048,900	54,685,000
Loans and advances to customers	906,994	9,191,758	3,379,596	13,478,348	13,105,405
Other Assets	891,392	-	-	891,392	791,818
Liabilities					
Deposits from customers and banks	$65,871,673	$ 121,579,559	$ 696,896	$ 188,148,128	$ 175,916,189
Other borrowed funds	-	-	-	-	17,000,000
Other liabilities	-	-	-	-	19,911

continued

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

	Government	Other Government Entities	Key Management	Total 2013	Total 2012
Revenues					
Interest Income	$ 2,997,141	$ 464,324	$ 89,245	$ 3,550,710	$ 3,377,052
Total	**$ 2,997,141**	**$ 464,324**	**$ 89,245**	**$ 3,550,710**	**$ 3,377,052**
Expenses					
Interest Expense	$ 1,477,104	$ 4,993,639	$ 15,438	$ 6,486,181	$ 7,828,671
Directors fees	-	-	299,178	299,178	198,500
Other operating expenses	1,234,564	-	-	1,234,564	1,243,357
Short-term employee benefits	-	-	2,454,401	2,454,401	2,738,838
Pension expense	-	-	129,043	129,043	134,085
Termination benefits	-	-	-	-	160,566
Total	**$ 2,711,668**	**$ 4,993,639**	**$ 2,898,060**	**$ 10,603,367**	**$ 12,304,017**

25. EMPLOYEE BENEFITS

The Bank has a defined contribution plan (the "Plan") in which eligible employees (those having attained 18 years of age and employed on a full time basis for a continuous period of twelve months) contribute a minimum of 3.50% of their annual salaries and the Bank contributes 6.50%. Employees become fully vested after 5 years of plan membership. The plan assets are managed by an independent third party investment manager.

Contributions for the year ended June 30, 2013 totaled $779,108 (2012: $715,516).

As at June 30, 2013, the Plan owns 187,166 (2012: 210,826) shares of the Bank. The holdings represent approximately 8.6% (2012: 10.25%) of the Plan's net assets.

As at June 30, 2013, the Plan has deposits totaling $3,298,854 (2012: $6,565,425) with the Bank.

The assets of the Plan are managed by Trustees that are independent from the Bank.

26. ASSETS UNDER ADMINISTRATION

Assets under administration for clients in the Bank's fiduciary capacity are as follows:

	2013	2012
Government-guaranteed student education loans	$ 75,803,282	$ 77,647,076
Trust assets	$ 84,717,027	$ 77,962,646

During the period, the Bank recognized fees totaling $209,007 (2012: $225,952), for the administration of the Government Guaranteed Student Loans program.

27. DIVIDENDS AND EARNINGS PER SHARE

Dividends to the Bank's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors and approved by the Bank's Regulators. Dividends paid by the Bank to ordinary shareholders in 2013 totaled $Nil or $Nil per share (2012: $775,671 or $0.06 per share).

During the year the Bank paid dividends on its preference shares of $2,462,500 (2012:$2,462,498).

	2013	2012
Net (loss)/income attributable to equity shareholders	$ (3,754,825)	$ 3,677,062
Preference share dividends	(2,462,500)	(2,462,498)
Net (loss)/income attributable to ordinary shareholders	$ (6,217,325)	$ 1,214,564
Weighted average number of ordinary shares outstanding	15,975,692	15,515,835
Basic (loss)/earnings per ordinary share	$ (0.39)	$ 0.08

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values presented represent values at which financial instruments could be exchanged in a current transaction between willing parties. Where there is no available trading market, fair values are estimated using appropriate valuation techniques. The fair values of non-financial instruments, such as property and equipment and investment property, are explained in previous notes.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

  As of June 30, 2013 the Bank held equity securities classified as available-for-sale totaling $731,539 (2012: $489,584) which have been valued as a Level 1 investment. All other available-for-sale and held-to-maturity investments totaling $60,048,900 (2012: $58,685,000) are classified as Level 2. No transfers were made during the period for any investments between the hierarchy.

  The following methods and assumptions have been used in determining fair value:

Cash and cash equivalents, other assets and other liabilities
Due to their short-term maturity, the carrying values of these financial instruments are assumed to approximate their fair values.

Investments
The estimated fair values of investments are based on quoted market prices, when available. If quoted market prices are not available the estimated fair value of investments are deemed to reflect the cost or amortised cost.

Loans
For floating rate loans that are subject to re-pricing within a short period of time, fair values are assumed to be equal to their carrying values.

Deposits
The estimated fair values of deposits are assumed to be equal to their carrying values due to their short-term nature.

Investment property
The estimated fair value of investment property is based on a valuation performed by an appointed independent registered valuer taking into account factors such as the property growth and market in the surrounding area. The fair value of investment property reflects the market conditions at the date of the consolidated statement of financial position.

Regulatory capital
The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by The Central Bank. During the past year, the Bank had complied in full with all its externally imposed capital requirements.

Capital risk management
The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. Other than as noted in Note 15 (ordinary shares), no changes were made in the objectives, policies and processes from the previous years.

The capital structure is designed to provide optimal risk absorption consistent with the risk profile of the Bank's statement of financial condition. The capital mix is intended to maximize the return for shareholders. The Bank utilizes a balance of equity and debt issuances to achieve an ideal capital structure as shown in Note 15.

At June 30, 2013 and 2012 the capital structure of the Bank consists of equity held by common shareholders, including issued capital, share premium, preference shares and retained earnings. The Bank's Board and Asset/Liability management committee monitor the capital structure and review the structure at least quarterly, reviewing the capital mix and the cost of capital for each class of capital. Ongoing capital management includes the payment of dividends, new share issuances, redemptions of preferences shares, reserves, retained earnings and common share issuances.

29. REGULATORY CAPITAL

(In $000s)	Actual 2013	Actual 2012
Tier 1 capital	$ 109,487	$ 84,492
Tier 2 capital	34,924	34,682
Total capital	**$ 144,411**	**$ 119,174**
Risk weighted assets	**$ 631,502**	**$ 576,584**
Tier 1 capital ratio	11.88%	9.51%
Total capital ratio	15.68%	13.41%
CET1 Ratio	17.51%	14.84%
Tier 1 Capital to Total Risk Weighted Assets	17.34%	14.65%
Total Capital to Total Risk Weighted Assets	22.89%	20.67%
CET1 as a percentage of Total Tier 1 Capital	100.98%	101.27%
Tier 1 Capital as a percentage of Total Capital	75.82%	70.90%

Regulatory capital consists of Tier 1 capital, which comprises share capital, reserves less goodwill and retained earnings including current year's financial results. The other component of regulatory capital is Tier 2 capital, which comprises long term debt and revaluation reserves on available-for-sale securities. Common Equity Tier 1 (CET1) comprises of common share capital, share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves.

The Central Bank's regulations requires, consistent with international best practice as defined by the Bank of International Settlements Basel 1 Capital Accord, that the Bank maintains a risk adjusted capital to asset ratio equal to or greater than 8.00%. The Bank's risk adjusted capital ratio at the end of the fiscal year was 22.89% (2012: 20.67%).

30. COMPARATIVES

Certain corresponding figures within the Regulatory Capital (Note 29) from the prior year have been adjusted to conform with the current year's financial statement presentation.

31. RISK MANAGEMENT

There are a number of risks inherent in commercial banking that the Bank manages on an ongoing basis. Among these risks, the more significant are credit, operational, currency, liquidity, capital and interest rate risks.

Credit risk

Credit risk arises from the failure of counterparty to perform according to the terms of the contract. From this perspective, the Bank's significant exposure to credit risk is primarily concentrated in cash and due from banks, investments and loans. The cash, due from banks and investments are predominantly in Bahamian and United States dollars and have been placed with high quality institutions. The Bank maintains deposits in foreign currencies with top rated corresponding banks in the United States, Canada and the United Kingdom. Credit risk arising from loans is mitigated through the employment of a comprehensive credit risk management regime that sets limits for sector concentration, as well as single and related party exposure. The Board of Directors approves credit granting limits. In addition, credits are subject to regular review by the Bank's credit risk management department, internal audit department and annual review by credit officers. The vast majority of the Bank's loans are collateralized and guaranteed thus providing further mitigation of credit risk.

The Bank assesses credit exposure on loans by utilizing risk ratings. The ratings are categorized into a variety of segments such as minimal risk, moderate risk, high risk and non-performing. The purpose of credit rating is to provide a simple, but effective and ongoing system of credit risk gradation by which relative credit worthiness of borrowers may be identified and accordingly the level of credit enhancements, degree of monitoring, frequency of reviews, level of provisioning, and pricing can be determined. The credit rating would reflect both the likelihood of default and the potential extent of loss given default.

The credit worthiness of most borrowers is not constant over a period of time. For this reason changes in ratings must reflect changes in the relative strength of the borrowers and their obligations. Appropriate credit ratings must be assigned to every borrowing relationship. A rating must be assigned at the time of credit extension and reviewed and updated in each periodic review or if the situation warrants a change at any other time. A rating change highlights a change in the credit worthiness, or corrects a previous rating that did not fully reflect the quality of the credit. Because of their very nature, changes are to be expected more frequently among credits with lower ratings that among credits of higher ratings. Typically loans within a retail credit portfolio which are performing are not assessed for changes in ratings unless the customer approaches the Bank for additional credit.

The assigning of a risk rating calls for professional judgment and can involve subjective elements. When a credit rating is assigned, all relevant information concerning the risk profile of the borrower is considered including, but not limited to, industry trends, economic climate, business environment and earnings track record. Consideration is given to such less quantifiable items such as opinion of management, perception of trustworthiness and character, hidden reserves and other factors.

continued

31. RISK MANAGEMENT (CONTINUED)

The Bank conducts an impairment assessment on each of its loans. The main considerations for the loan impairment assessment included whether any payments of principal or interest are overdue or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Bank addresses impairment on an individual and portfolio basis. In managing credit risk the Bank takes a holistic approach in assessing its impact and implications from a regulatory standpoint and potential consequences for liquidity and its capital.

Concentration of risks and financial assets with credit risk exposure are as follows:

	2013			2012		
In ($000s)	Principal Balance	Restructured	Total	Principal Balance	Restructured	Total
CASH AND CASH EQUIVALENTS						
Neither past due or impaired	$ 73,336	$ -	$ 73,336	$ 92,584	$ -	$ 92,584
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 73,336	**$ -**	**$ 73,336**	**$ 92,584**	**$ -**	**$ 92,584**
INVESTMENT SECURITIES						
Neither past due or impaired	$ 60,780	$ -	$ 60,780	$ 59,175	$ -	$ 59,175
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 60,780	**$ -**	**$ 60,780**	**$ 59,175**	**$ -**	**$ 59,175**
LOANS AND ADVANCES TO CUSTOMERS						
Neither past due or impaired	$ 407,262	$ 61,819	$ 469,081	$ 424,519	$ 68,785	$ 493,304
Past due but not impaired	106,471	58,569	165,040	107,775	16,674	124,449
Impaired	97,100	21,825	118,925	79,985	5,464	85,449
	$ 610,833	**$142,213**	**$ 753,046**	**$ 612,279**	**$ 90,923**	**$ 703,202**

Financial assets are past due when a counterparty has failed to make a payment when contractually due.

Operational risk

Operational risk relates to the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. It is mitigated by documented policies and procedures, staff training and a risk-based internal audit regime.

Foreign exchange risk

The Bank holds assets and liabilities denominated in currencies other than Bahamian dollars, the measurement currency of the Bank. Consequently the Bank is exposed to foreign exchange risk since the values of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Bank manages these positions by matching assets with liabilities wherever possible. The table below summarized the Bank's exposure to foreign currency exchange risk at June 30, 2013. Included in the table are the Bank's financial instruments at carrying amounts, categorized by currency.

Concentrations of currency risk

As at June 30, 2013 In ($000s)	B$	US$	CAD$	GBP£	Other	Total
ASSETS						
Cash and central bank balances	$ 45,537	$ 27,012	$ 107	$ 577	$ 103	$ 73,336
Financial assets - held to maturity	16,965	-	-	-	-	16,965
Financial assets - available for sale	39,084	4,731	-	-	-	43,815
Loans and advances	711,071	24,015	2	1		735,089
Total financial assets	**$ 812,657**	**$ 55,758**	**$ 109**	**$ 578**	**$ 103**	**$ 869,205**
LIABILITIES						
Deposits from customers and banks	$ 696,046	$ 26,686	$ 23	$ 450	$ 36	$ 723,241
Other borrowed funds	5,000	-	-	-	-	5,000
Cheques and other items in transit	1,955	1,375	140	100	2	3,572
Total financial liabilities	**$ 703,001**	**$ 28,061**	**$ 163**	**$ 550**	**$ 38**	**$ 731,813**
Net financial position	**$ 109,656**	**$ 27,697**	**$ (54)**	**$ 28**	**$ 65**	**$ 137,392**
JUNE 30, 2012	**B$**	**US$**	**CAD$**	**GBP£**	**Other**	**Total**
Total financial assets	$ 773,744	$ 58,331	$ 6,630	$ 523	$ 155	$ 839,383
Total financial liabilities	687,864	32,512	6,584	563	19	727,542
Net financial position	**$ 85,880**	**$ 25,819**	**$ 46**	**$ (40)**	**$ 136**	**$ 111,841**

continued

31. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate sensitivity or interest rate risk results from differences in the maturities or re-pricing dates of earning assets and paying liabilities. Interest rate risk exposures may produce favorable or unfavorable effects on interest margins depending on the nature of the gap and the direction of interest rate movement and/or the expected volatility of those interest rates. Interest rate gaps are carefully monitored and scenario tests performed to determine the potential impact of various gap exposures.

The Bank analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration pricing, renewal of existing positions, and capital funding. Based on these scenarios, the bank calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. Based on the simulations performed, the impact on net income and consequently shareholders' equity of a 100 basis point shift would be a maximum increase or decrease of $1.4 million (2012: $1.3 million).

Liquidity risk

Liquidity risk reflects the risk that the Bank will not be able to meet an obligation when it becomes due or honors a deposit withdrawal request or service loans. The Bank maintains a portion of its deposits in cash and other liquid assets to mitigate this risk. On a daily basis, the Bank monitors its cash and other liquid assets to ensure that they sufficiently meet the Bank's requirements. In addition, the Bank performs regular gap analyses showing the maturity exposure arising from the different maturity of assets and liabilities. As is the case throughout the sector, those gap analyses show that the Bank is liability-sensitive in the short term. Regular scenario tests are performed to determine the extent to which the Bank can withstand unforeseen withdrawals and the cost associated with meeting such demands should they arise.

The following tables summarizes the carrying amount of consolidated financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The actual maturity dates could be significantly different from the amounts in the table.

June 30, 2013 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Cash and cash equivalents	$ 73,336	$ -	$ -	$ -	$ 73,336
Investment Securities	731	-	7,539	52,510	60,780
Loans and advances to customers, net	225,167	42,999	51,251	415,672	735,089
Total financial assets	**$ 299,234**	**$ 42,999**	**$ 58,790**	**$ 468,182**	**$ 869,205**

June 30, 2013 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Deposits from customers and banks	$ 421,615	$ 255,211	$ 29,748	$ 16,667	$ 723,241
Other borrowed funds	-	-	-	5,000	5,000
Cheques and other items in transit	3,572	-	-	-	3,572
Total financial liabilities	**$ 425,187**	**$ 255,211**	**$ 29,748**	**$ 21,667**	**$ 731,813**
Net position	**$ (125,953)**	**$ (212,212)**	**$ 29,042**	**$ 446,515**	**$ 137,392**

June 30, 2012 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Total financial assets	$ 268,684	$ 75,742	$ 68,178	$ 426,778	$ 839,382
Total financial liabilities	413,951	232,039	47,117	34,435	727,542
Net position	**$ (145,267)**	**$ (156,297)**	**$ 21,061**	**$ 392,343**	**$ 111,840**

32. LIQUIDATION OF SUBSIDIARY

During the period, the Board of Directors approved a resolution for the liquidation of its subsidiary BOB Financial Services Inc. and effective June 30, 2013, the Bank discontinued the operations of this entity. The entity provided trade financing and other financial services and is in liquidation.

An analysis of the entity's assets and liabilities as at June 30, 2013 is as follows:

	2013
ASSETS	
Cash and current accounts with bank	$ 243,445
Other assets	37,698
	281,143
LIABILITIES	
Other liabilities	280,460
Due to BOB	36,868
	317,328
Net assets disposed of	**$ (36,185)**

33. SUBSIDIARIES

Subsidiaries of the Bank as at June 30, 2013 are as follows:

Name	Place of Incorporation	Shareholding	Nature of business
BOB Financial Services Inc. (In liquidation)	Florida, United States of America	100%	Trade financing and other financial services
Multi-Card Services Ltd.	Commonwealth of The Bahamas	100%	Card processing and services
West Bay Property Holdings Ltd.	Commonwealth of The Bahamas	100%	Investment Property
Bank of The Bahamas Trust Ltd.	Commonwealth of The Bahamas	100%	Trust Company
BAHTCO Holdings Ltd.	Commonwealth of The Bahamas	100%	Nominee Holding Company
BOB Property Holdings	Commonwealth of The Bahamas	100%	Property Management

BOB BRANCH LOCATIONS

New Providence
Shirley Street
(242) 397-3400
BOB Express ATM

Village Road
(242) 396-6000
BOB Express ATM (2)
Saturday banking

Thompson Boulevard (ATM)
(242) 397-3300
BOB Express ATM

Harrold Road
(242) 397-3200
BOB Express ATM
Saturday banking

Carmichael Road
(242) 397-3000
BOB Express ATM (2)
Saturday banking
(U.S. Check-in)

FAMILY ISLANDS

Freeport, Grand Bahama
(242) 352-7483
BOB Express ATM

Eight Mile Rock, Grand Bahama
(242) 348-1726
BOB Express ATM

Kemps Bay, Andros**
242/369-1787

Mangrove Cay, Andros**
242/369-0502

Knowles, Cat Island
242/342-2230
ATM

Hooper's Bay, Exuma
(242) 336-3000
ATM

Matthew Town, Inagua**
(242) 339-1264

Cockburn Town, San Salvador**
BOB Express ATM
(242) 331-2237

** ATM coming on stream shortly

LOCATIONS: BOB Financial Services

BOB Head Office
(242) 397-3000
Claughton House, Charlotte Street,
Nassau, NP

BOB Private Banking & Trust
Claughton House, Nassau, NP
(242) 397-3000

BOB Card Centre, Village Road
Shopping Centre, 2nd Floor
(242) 397-3220

Off site BOB Express Locations
- Lynden Pindling International Airport. US Departure Terminal, CAYS News
- Arawak Cay, near Police Station
- Phil's Food Services, Gladstone Road

BOB STAFF

Executive Office

Christie, Mr. Wayde
Chief Operating Officer

Davis, Mrs. Renee
Deputy Managing Director

Delaney, Mr. Vaughn
Deputy Managing Director, I.T. &
Human Resources & Training

Edwards, Mr. Hubert
Deputy Managing Director

McWeeney, Mr. Paul
Managing Director

Rahming, Mr. Lenis
Personal Aide

Williams, Miss Laura
Manager, Corporate Affairs

Operations Department

Gardiner, Mrs. Patrice
Manager, Operations

Major, Miss Elnora
Manager, Operations, Family Islands

Night Depository Department

Albury, Miss Deshan
CSR-I (Teller)

Delancey, Miss Daynell
Treasury Custodian

Forbes, Mr. Ramone
Supervisor, Centralized Depository
Department

Knowles, Miss Shakeilya
CSR-I (Teller)

Rahming, Mr. Albert
Treasury Custodian

Symonette, Miss Crystal
CSR-I (Teller)

Back Office Operations

Adderley, Mrs. Ruth
Senior Associate, Back Office Operations

Hall, Miss Reina
Data Processor

Johnson, Miss Clayre
Supervisor, Back Office Operations

Nabbie, Miss Tawana
Data Processor

Nixon, Miss Treniqua
Team Lead, Back Office Operations

Data Centre

Burrows, Mr. Mark
Junior Administrator, Network Operations

Clarke, Miss Asteen
Associate, Payroll Processing

Josey, Mrs. Alice
Manager Data Operations

Knowles, Ms. Tanisha
Computer Operator

Russell, Miss Marietta
Computer/Proof Operator

Virgil, Mr. Devaughn
Operator, Data Centre Operations

White, Miss Dawn Marie
Supervisor, Customer Services

Business Support

Bethel, Miss Kenva
Associate, Project & Change Management

Hanna, Mr. Geoffrey
Project Manager

Sharma, Mr. Yogendra
Core Banking Analyst

Communications/ Administration Department

Burnside, Mr. Jeffery
Messenger/Archive Associate

Laing, Mrs. Karen
Senior Associate, Communications

Rolle, Miss Desma
Communications Associate

Rolle, Miss Shera
Concierge

Sherman, Mr. Xavier O'Neil
Senior Messenger

Turnquest, Mr. Jermaine
Messenger

Wilkinson, Ms. Mary
Manager, Corporate Office Administration/Communications

Human Resources Department

Cash, Mrs. Annette
Manager, Human Resources & Training

Dorsett (Coakley), Miss Nadia
Credit Officer

Knowles, Mrs. Pandora
Administrative Assistant, Human Resources Department

Newbold, Mrs. Keilya
Human Resources Officer

Nixon, Mrs. Gloria
Senior Assistant/Payroll Officer

Wilson, Ms. Myrna
Consultant

Training Department

Kelly, Miss Olivia
Training & Development Officer

Walker, Mrs. Rochelle
Senior Training & Development Officer

Risk Department

Albury, Mrs. Philice
Senior Manager, Risk

Christie, Miss Florence
Senior Associate, Compliance

Miller, Miss Jemma
Associate, Compliance

Newry, Mr. Gamal
Risk Coordinator, Security Operations

Scantlebury (Dean), Miss Zovia
Senior Associate, Compliance

Whitfield, Miss Natika
Manager, Compliance

Marketing Department

Greene, Mrs. Xenia
Associate, Marketing

Thompson, Miss Dominique
Marketing Manager

Thompson, Mr. Ian
Senior Manager, Marketing & Sales

Trust Department

Barr, Mr. Deneko
Trust Associate

Bingham, Mrs. Dianne
Manager, Private Banking & Trust Services

Nixon, Mrs. Martha
Senior Trust Officer

Strachan, Mrs. Ngaire
Trust Officer

Private Banking

Thompson, Mr. Shavardo
Private Banking Associate

Accounting & Finance Department

Hawkins, Miss Candice
Associate, Accounts

McPhee, Miss Leashawn
Acting Chief Financial Officer

Rodgers, Mrs. Lavonne
Financial Reporting Analyst

Rodgers, Mrs. Sanchina
Manager, Financial Reporting

Roberts, Mrs. Deshaun
Administrative Assistant

Roberts, Miss Nairoshee
Associate, Accounts

Symonette, Mrs. Tammi
Supervisor, Accounting Department

Thompson, Miss Monique
Associate Team Lead, Accounts

Winder, Miss Nyochea
Associate, Accounts

Woodside-Turnquest, Mrs. Maureen
Manager, Financial Accounting

Treasury Department

Evans, Miss Paige
Associate, Treasury

Glinton, Miss Lamonica
Treasury Analyst

Hanna, Mr. Kevin
Program Manager, Corporate Treasury

Corporate Credit Department, Nassau

Bain, Mr. Kentworth
Manager, Corporate Credit

Barr-Mortimer, Mrs. Evardneke
Supervisor, Credit Administration

Beneby, Mr. Earl
Senior Relationship Manager

Braynen, Mr. Dana
Senior Manager, Corporate Credit, Nassau

Brown, Mrs. Garnal
Credit Analyst

Ferguson, Mr. Stanley
Credit Analyst

Hepburn, Mrs. Gayle
Credit Analyst

Johnson, Miss Shanika
Relationship Manager

McQueen, Miss Dominique
Relationship Manager

Moss, Miss Cassandra
Associate

Rolle, Miss Aniska
Relationship Manager

Sands, Mr. Michael
Credit Analyst

Strachan, Mrs. Phillipier
Administrative Assistant

Corporate Credit, Grand Bahama & Family Islands Division

Burrows, Mrs. Annamae
Credit Consultant

Carey, Mr. Adrian
Relationship Manager

Carey, Mr. Terrance
Senior Manager, Corporate Credit, Grand Bahama Division

Perpall, Miss Michaella L. F.
Concierge

Sawyer, Miss Shiann
Associate, Loan Administration

Ggaels Department

Bodie, Miss Edith
Administrative Assistant

Braynen, Mrs Michelle
Associate

Burke, Miss Donzella
Coordinator Ggaels

Colebrooke, Miss Michaella
Associate, Loan Administration

Davis, Mrs. Tanya
Senior Associate, Ggaels

Credit Risk Department

Barnett, Mr. Charles
Senior Relationship Manager, Credit Risk

Bartlett, Mr. Darryl
Sr. Consultant, Credit Risk

Culmer, Mr. Rory
Asst. Manager, Credit Risk

Fountain, Mr. Julian
Senior Relationship Manager, Credit Risk

Minnis, Mr. Randolph
Asst. Manager, Credit Risk

Rigby, Mr. Franklyn
Relationship Manager

Strachan, Miss Tamika
Administrative Assistant

Urich, Mr. George Dave
Manager, Credit Risk

Collections Department (Nassau Division)

Blatch, Mrs. Elda
Sr. Collections Officer (Exuma Branch)

Brown, Mr. Chervez
Collections Officer (Harold Road Branch)

Bryan, Mr. Curtis
Sr. Collections Officer (Corporate Credit, Charlotte House)

Clarke, Mr. Anthony
Collections Officer (Shirley Street Branch)

Clarke, Mr. Silbert
Supervisor, Collections

Conliffe, Mr. Nigel
Collections Officer

Davis, Mr. Jamison Manager, Collections

Deveaux, Mr. Dominic
Collections Officer

Dorsett, Mr. Daryl
Collections Officer

Forbes, Mr. Michael
Collections Officer

Higgs, Mr. Anton
Assistant Manager, Collections

Jean, Mr. Lovy
Sr. Collections Officer

Johnson, Miss Shakara
Collections Officer

Major, Miss Sasha
Concierge

McBride, Mr. Gayland
Assistant Manager, Collections

Meadows, Mr. Ryan
Collections Officer

Miller, Mrs. Charise
Collections Officer (Thompson Blvd. Branch)

Newbold, Mr. Raynard
Sr. Collections Officer

Toney, Mr. James
Collections Officer (Exuma Branch)

Collections Department, Grand Bahama & Family Islands Division

Gray, Mr. Anton
Assistant Manager, Collections

Neely, Mrs. Suzette
Collections Officer

Rolle, Miss Lanese
Concierge

Thomas, Miss Shena
Collections Officer

Vilbrun, Mr. Nelson
Supervisor, Collections

Loan Administration Department, Nassau

Armbrister, Miss Bianca
Associate, Posting

Cartwright, Miss Olga
Associate, Loan Administration

Charlton, Mrs. Deborah
Associate, Loan Administration

Cooper, Miss Joan
Assistant Manager, Loan Administration Department

Dames, Mrs. Julia
Associate, Loan Administration

Jones, Miss Kaja
Associate, Filing

King, Miss Silva
Associate, Loan Administration

Knowles, Mr. Torri
Associate (Reviewer), Loan Administration

Miller, Miss Judy
Manager, Loan Administration Department (Nassau & G.B. Divs.)

Rahming, Miss Lavonya
Associate, Posting

Roberts, Mrs. Ingrid
Senior Associate, Loan Administration

Saunders, Mrs. Estena
Supervisor, Loan Administration Department

Smith, Mrs. Chivonne
Associate, Loan Administration

Virgil, Miss Jaomi
Posting Associate

White, Mrs. Monique
Associate, Loan Administration

Loan Administration Department, Grand Bahama Division

Burrows, Mr. Daniel
Associate, Loan Administration

Clarke, Ms. Chantel
Senior Associate, Loan Administration

Henfield-Rolle, Miss Jennifer
Senior Associate, Securities

Johnson, Mrs. Misty
Associate, Loan Administration

Moxey, Mr. Clifford
Associate, Loan Administration

Parker, Mrs. Lucianna
Assistant Manager, Loan Admin. Dept., Grand Bahama Division

Information Technology Department

Balasubramanian, Mr. Rengasamy
Application Support Specialist, Data Base Administration

Beauvil, Mr. Kelson
Application Support Specialist

Bowe, Mr. Renrick
Senior Team Lead, Application Support

Collie, Mr. Wendall
Help Desk Coordinator

Evans, Mr. Shervin
Team Lead, Infrastructure Support

Forbes, Mrs. Diana
Executive Assistant To Dmd, I.T.

Hepburn, Mr. Audley D.
Technical Support Analyst

Ijeoma, Mrs. Renee
Senior Manager, Information Technology

Kawaguchi-Fleming, Mrs. Keiko
Senior Analyst, Business

Longley, Mrs. Sheena
Junior Technical Support Analyst

Maycock, Mr. Cory
Application Support Specialist

McQueen, Mrs. Angelique
I. T. Project Coordinator

Pratt, Mr. Ancel
Information Security Officer

Richards, Mr. Bernard
Programmer/Analyst

Rigby, Miss Jaquel
Technical Support Coordinator

Rolle, Miss Patrice
Senior Application Support Analyst

Rolle, Mr. Wayne
Technical Specialist, Network Operations

Tucker, Mr. Kenton
Business Intelligence Analyst

Project & Change Management

Bowe, Mrs. Dandria
Senior Project Coordinator

Ferreira, Ms. Jillian
Manager, Project & Change Management

Symonette, Mrs. Camille A.
Coordinator, Project & Change Control

Premises

Varence, Mrs. Clarice
Program Manager, Premises

Card Centre

Adderley, Miss Qutell
Associate, On-Line Banking

Basden, Miss Miriam
Customer Services Representative

Bowe, Miss Ricarra
Customer Services Representative

Butler, Ms. Verkeisha
Merchant Services Associate

Adderley, Miss Qutell
Associate, On-Line Banking

Collie, Mrs Shakera
CSR-III, Data Verification Officer

Cooper, Mrs. Joan Nicoya
Assistant Manager, Card Centre

Dean, Mrs. Antoinette
Team Lead, Fraud/Chargebacks

Dean, Mrs. Gilda
Merchant Services Associate

Elliott, Miss Sedika
Accounts Associate

Harris-Smith, Mrs. Shari
Call Centre Representative

Johnson, Mr. Darin
Customer Services Representative

Johnson, Mrs. Tianya
Supervisor, Operations

Johnson, Mrs. Yvette B.
Supervisor, Call Centre

Kelly, Miss Tamika
Embossing Associate

Kemp, Miss Shanderia
Customer Services Representative

Missick, Miss Macquel
Concierge (Administrative Offices, 1st Floor, Village Road)

Musgrove, Ms. D'entae
Data Posting Associate

Nairn, Miss Kenience
Customer Services Representative, Call Centre

Reckley, Miss Jonique
Accounts Associate

Rolle, Mr. Jabari
Merchant Services Technical Support

Smith, Mr. Desario
Team Lead, Operations

Smith, Mrs. Tamuery
Accounts Associate

Thompson, Mr. Leonardo
Assistant Manager

Ward, Miss Kaye
Senior Associate, Merchant Group

Carmichael Road Branch

Bastian, Ms. Sharell
Credit Officer

Bonaby, Miss Monique
Branch Administrator (Loan Administration Associate)

Deleveaux, Mr. Kelson
CSR-I (Teller)

Fisher, Miss Tiffany
CSR-II

James, Mrs. Patricia
Branch Manager

Maycock, Miss Nathia
Branch Ambassador

Nabbie, Mr. Ryan
CSR-I (Teller)

Oscar, Miss Stephanie
CSR-I

Russell, Mrs. Anastacia
Assistant Branch Manager, Operations

Seymour, Mrs. Vanessa
CSR-III Team Lead

Small, Mrs. Florence
CSR-II

Inagua Branch

Bowe, Ms. Sheena
CSR-III Team Leader

Wilson, Mrs. Marjorie
CSR-II

Missick, Mrs. Judith
Officer-In-Charge

Darville, Mrs. Shannon
CSR-I

Pierre, Miss Lynette Andrea
CSR-I

Shirley Street Branch

Baillou, Mr. Elexio
CSR-I (Teller)

Beneby, Mr. Felton
Branch Manager

Brennen (Nesbitt), Mrs. Antoinette
Supervisor, Customer Services Dept.

Carey (Carter), Mrs. Amber
Credit Officer

Eve, Miss Narissa
Credit Officer

Ferguson, Miss Tamika
CSR-I Teller Pool

Forbes, Miss Serenity
Branch Ambassador

Gaitor, Miss Sharlisa
CSR-I (Teller)

Hamilton, Mrs. Sherrell
Senior Associate, Loan Administration

Hepburn, Mr. Jermaine
Assistant Branch Manager, Credit

Hinsey, Mrs. Shameka
Associate, Loan Administration

Mackey, Miss Peteral
Concierge

Mayers, Miss Serenna
CSR-I (Teller)

Miller, Mr. Basil
Scanning Associate

Munnings (Goodman), Mrs. Donette
Supervisor, Tellers

Newbold, Miss Mitzi
CSR-III Team Lead (Tellers)

Peet, Mrs. Vernincha
Branch Control Officer

Rhodriquez, Mr. John
Credit Officer

Sears, Ms. Gaynor
CSR-II

Seymour, Miss Kayvanna
CSR-I (Teller)

Smith, Miss Shandia
CSR-III Team Lead

Smith, Ms. Toosda
Assistant Branch Manager, Operations

Whylly, Miss Tyrese
CSR-I (Teller)

Young, Mrs. Sherron
CSR-II

Zonicle, Miss Whilliamae
Administrative Assistant

San Salvador Branch

Black, Mr. Tameco
Security Guard

Green, Mrs. Schkara
CSR-I (Teller)

Maycock, Mr. Damien
CSR-I (Teller)

Miller, Mrs. Sophia
Officer-In-Charge

Storr, Miss Ingrid
CSR-III Team Lead

Williams, Mrs. Nyoka
CSR-II

Village Road Branch

Sears, Ms. Gaynor
CSR-II

Braynen, Mr. Alaasis
Branch Manager

Braynen, Mrs. Shanovia
CSR-II

Burrows, Mrs. Felicia
Credit Officer

Carey, Miss Stacey
CSR-II

Curtis, Miss Shakell
Administrative Assistant

Davis, Mrs. Kertorra
Supervisor, Customer Services Department

Dean, Miss Tashae
CSR-I (Teller Pool)

Farah, Miss Tonya
Assistant Branch Manager, Credit (Trainee)

Farrington, Mrs. Richardette
Supervisor, Tellers

Forbes, Mr. Jason
Credit Officer

Fox, Mrs. Lillian
Branch Control Officer

Huyler, Miss Simone
CSR-I (Teller)

Farah, Miss Tonya
Assistant Branch Manager, Credit (Trainee)

Farrington, Mrs. Richardette
Supervisor, Tellers

Knowles, Miss Richenda T.
CSR-III Team Lead (Tellers)

Major, Miss Laurie
CSR-III Team Lead

McCardy, Miss Antoinette
CSR-I (Teller)

Mitchell, Mrs. Deborah
Assistant Branch Manager, Operations

Morley, Mr. Jason
CSR-II

Neely (Kilmurray), Mrs. Sanchez
Branch Ambassador

Oliver, Mrs. Carolyn
Associate, Loan Administration

Rolle, Miss Andrea
Concierge

Rolle, Miss Rudia
CSR-I (Teller Pool)

Rolle, Mrs. Susanna
CSR-II

Smith, Mrs. Lesley
Credit Officer

Williams, Mr. Kassim
Credit Officer

Wilson, Miss Louise
CSR-I (Teller)

Freeport Branch

Brown, Mrs. Beatrice
Credit Officer

Bullard, Mrs. Sherene
Assistant Branch Manager, Operations

Butler, Mr. Danaldo
CSR-I (Teller)

Capron, Miss Pamela
Proof Associate

Clarke, Mr. Wenrick
Branch Manager

Davis, Mrs. Beverley
Senior Associate, Proof Department

Edwards, Mrs. Berthalee
CSR-II

Kelly, Ms. Monique
Supervisor, Tellers

Lockhart, Miss Demarcia
Branch Ambassador

McGregor, Mrs. Bridgette
CSR-II

McIntosh, Nio-Schienique
Administrative Assistant

Newry, Mrs. Demitra
Credit Officer

Pierre, Ms. Lolita
Supervisor, Branch Audit

Poitier, Mrs. Kamia
Supervisor, Customer Services Department

Pratt, Mr. Dion
Credit Officer

Rolle, Mr. Ranaldo
CSR-I (Teller)

Rolle-Collie, Mrs. Donnette
CSR-I (Teller)

Russell, Mrs. Suzette
Associate, Branch Loan Administration

Sands, Mrs. Carolyn
Audit Associate

Seymour, Mrs. Sonya
Assistant Branch Manager, Credit

Strachan, Ms. Odysea
Teller (Teller Pool)

Thompson, Ms. Tiffany
Proof Associate/Messenger

Whylly, Mrs. Delores
CSR-I

Wright, Miss Henrietta
CSR-II

Eight Mile Rock Service Centre

Kelly, Miss Wendy
CSR-I

Jerome, Miss Maggie
CSR-I

Rahming-Bowe, Mrs. Samantha
Supervisor, Tellers & Customer Services Reps.

Ritchie, Ms. Jennifer
Officer-In-Charge

Russell, Mr. Bill Clinton
Credit Officer

Harrold Road Branch

Adderley, Mrs. Sherise
Credit Officer

Arnett (Williams), Mrs. Cheralda
CSR-III (Team Leader)

Bain, Mrs. Shantell S.
Assistant Branch Manager, Operations

Barrett, Mrs. Samantha
Supervisor, Customer Services Department

Bullard, Mr. Gregory
Supervisor, Tellers

Burrows, Miss Aja
CSR-I (Teller)

Clarke, Miss Dannika
Senior Credit Officer

Colebrooke, Miss Sanea
CSR-I (Teller)

Ferguson, Mrs. Tamara
Branch Ambassador

Johnson, Mrs. Kotora
Associate, Loan Administration

King, Mrs. Sharmaine
CSR-II

Miller, Miss Brittany
Teller (Teller Pool)

Miller, Mr. Byron
Branch Manager

Mitchell, Miss Ambrosine
Administrative Assistant

Moss, Miss Nadia
Cheque Scanning Associate

Nixon, Miss Latera
Concierge

Nixon, Miss Latonia
CSR-I (Teller)

Rolle, Miss Anthonique
CSR-I (Teller)

Saunders, Mrs. Nadane
Branch Control Officer

Smith, Mr.Kensil
CSR-I (Teller)

Woodside-Johnson, Mrs. Alexandria
CSR-I (Teller)

Andros Branches
Kemps Bay Branch / Mangrove Cay Branch

Jones, Mrs. Lydia
Officer-In-Charge

Joyce, Miss Sasha
CSR-I

Knowles, Miss Tula
CSR-I

Rolle, Mr. Norris
Security Officer

Symonette, Mrs. Bernice Eloise
CSR-I

Thompson Boulevard Branch

Allen-Taylor, Mrs. Cedrica
CSR-I (Teller)

Allen-Taylor, Mrs. Cedrica
CSR-I (Teller)

Bowleg, Mrs. Diana
Credit Officer

Bullard, Miss Brittney
Branch Ambassador

Cartwright, Miss Prescola
CSR-II

Charlow, Miss Tia
CSR-I (Teller)

Clarke, Mrs. Jessica
Administrative Assistant

Charlow, Miss Tia
CSR-I (Teller)

Dames, Mrs. Stacia
Supervisor, Customer Services Dept.

Daxon, Mr. Kevin
Branch Control Officer

Knowles, Mrs. Berthia
Branch Manager

Lightbourne, Ms. Davanna
CSR-I (Teller)

Marshall, Miss Mychaelle
Supervisor, Tellers

Marshall, Mrs. Sherice
Credit Officer

Moncur, Miss Marica
Associate, Loan Administration

Munroe, Mr. Kayle
CSR-I (Teller)

Newton, Miss Canderia
CSR-II

Outten, Miss Mia
CSR-III Team Lead (Tellers)

Watkins, Miss Andrea
Scanning Associate

Exuma Branch

Curtis, Miss Anniffa Janeen
Officer-In-Charge

Ferguson, Miss Karen
CSR-II

Ferguson, Miss Westralyn C.
CSR-I

Gray, Mr. Johnny Carson, Jr.
Security/Doorman

Rolle, Miss Celcier
Credit Officer

Romer, Mrs. Tamika
CSR-II

Williams, Mrs. Desiree
CSR-I

Cat Island Branch

Armbrister, Mr. Atwell
Security/Doorman

Brown, Miss Letitia
Officer-In-Charge

King, Mrs. Anishka
CSR-I (Teller)

Hunter, Mrs. Pertrease Monique
CSR-II

Rolle-Seymour, Mrs. Cammelar
CSR-III Team Lead (Tellers)

Bank of The Bahamas
LIMITED

Head Office:
Claughton House
Shirley & Charlotte Streets
P. O. Box N-7118
Nassau, Bahamas
(242) 397-3000
Fax: (242) 325-2762
www.BankBahamas.com
info.BOB@BankBahamas.com
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