



FINANCIAL PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 2021

As Bank of the Bahamas Limited (the “Bank”) closed its second quarter for fiscal year 2022, it maintained its gradual pace of recovery, notwithstanding the ongoing spread of a more transmittable COVID-19 variant. The global and local economies have continued to recover from the impact of the pandemic, but the risks to recovery remain. On-going vaccinations and free testing initiatives, reopening of business establishments and international borders have yielded an increase in consumer demand and translated to a boost to the tourism industry.

For the six months ended December 31, 2021, the Bank recorded higher Net Income of \$0.5 million compared to \$0.1 million for the six months ended December 31, 2020; primarily due to the Bank’s total operating income which increased by \$1.3 million or 12.02% for the current quarter and \$2.6 million or 12.06% for the current fiscal year to date, partially offset by operating expenses which increased by \$0.6 million or 6.79% for the current quarter and \$1.1 million or 6.58% year to date and by higher impairment losses of \$1.1 million or 24.13% year to date. Second quarter fiscal year 2022 reported net income of \$0.1 million compared to second quarter fiscal year 2021 net loss of \$2.3 million primarily due the current quarter’s impairment losses of \$1.7 million being lower than fiscal year 2021.

Higher total operating income year to date is driven by higher net interest and non-interest income. The increase in interest income is due to an overall growth in the loans and advances from consumer loans for successful loan campaigns and an increase in non-interest income from ATM service charges as the Bank deployed additional offsite ATMs.

The increase in operating expenses year to date is mainly due to IT related expenses, as the Bank invested in system innovation and upgrades to support the Bank’s planned growth and strategic objectives. Other increases were also noted in staff costs, depreciation, and other administrative expenses as the Bank remains committed to improve on its products and customer service.

The Bank continues to maintain a strong financial position with total assets of \$924.2 million with the composite of loans and advances net of \$376.4 million, cash and cash equivalents of \$244.6 million as at December 31, 2021. Total equity closed at \$158.3 million, with CET1 ratio of 36.8% well above the Central Bank’s minimum requirement of 9.6%. The Bank’s capital and liquidity positions remain strong.

We remain focused on making considerable advances to reach a position of sustainable profitability and growth while the safety and health of our customers and staff continue to be a top priority. Additionally, we continue to enhance our products and services with innovations to provide all around exceptional customer service.

Kenrick Brathwaite, Managing Director