



FINANCIAL PERFORMANCE FOR THE QUARTER ENDED SEPTEMBER 30, 2021

The Covid-19 pandemic continues to impact the global and local economic recovery as we have seen the introduction of a more contagious variant to the Bahamas. A recent downgrade to the credit rating of the Bahamas by Moody's, in addition to a disruption in the global supply chains, have only exacerbated the current situation which will undoubtedly adversely impact our recovery efforts. Although we acknowledge that the pandemic is not over as the virus remains a threat and provides a level of uncertainty to our economic recovery, Bank of the Bahamas Limited (the "Bank") has been able to remain steadfast in its ongoing operations. We note that the recent increase in tourism figures and the reopening of many businesses have resulted in a boost to the economy which we further believe will be positively impacted by higher vaccination rates and the declining Covid-19 cases.

Arising from this economic uplift, the Bank recorded Net Income of \$0.4 million for the first quarter ended September 30, 2021 while total operating income during Q1 FY2022 showed a net increase of \$1.3 million (12.1%) compared to Q1 FY2021. These positive changes are due to higher net interest and non-interest income, mainly as a result of the growth in consumer loans while enhancing other existing revenue streams. The team at Bank of the Bahamas remains focused on our strategic plan in meeting our valued customers' demands while continuing to ensure that both employees and customers remain safe.

The Bank's operating expenses increased by \$0.5 million (6.36%) during Q1 FY2022 compared to Q1 FY2021 mainly due to higher staff costs and IT related expenses as the Bank invested in human resources, system innovation and upgrades to support the Bank's planned growth and strategic initiatives. Net credit loss expense of \$2.7 million was recorded in the current quarter while net credit loss reversals of \$0.06 million was recorded in Q1 FY2021 as provision reversals were more than the credit loss expense for that period. The Bank continues to manage its credit portfolio as to growth, credit risk, collections and recovery efforts while complying with the statutory and accounting standards.

The Bank continues to maintain a strong financial position with total assets of \$931.9 million and loans and advances, net of \$391.0 million, as at September 30, 2021. Total equity ended at \$158.7 million and the Bank's liquidity position also remained strong as its cash and cash equivalents stood at \$241.3 million, which represents an increase of \$32.0 million since June 30, 2021. The Bank's key capital ratios are compliant with regulatory requirements, with the CET1 Ratio of 35.9% being well above the Central Bank's requirement of 9.6%. As at the end of the quarter, the Bank's share price, per BISX, increased from a low of \$1.30 during fiscal 2021 to \$1.40 and has since shown a significant increase to more than \$2.00 per share as at the publication date of this report.

The Bank remains persistent in making significant advances to reach a position of sustainable profitability and look forward to enhancing our products and services with advance technology and everyday exceptional customer service.

Kenrick Brathwaite, Managing Director