



## FINANCIAL PERFORMANCE FOR THE QUARTER ENDED DECEMBER 31, 2015

The Bank's second quarter results posted a net loss of \$3.4 million for the quarter versus a net loss of \$5.7 million and a net loss of \$3.8 million year to date versus a net loss of \$9.9 million for the same period in the prior year. The Bank continues to focus on improving its core operating performance. Our total operating income is up \$2.6 million year to date versus the same period last year, while operating expenses are down \$0.9 million over the same period. Though encouraging, overall profitability for the Bank is largely dependent on the performance of the loan portfolio that we continue to manage closely to mitigate losses to the greatest extent possible. The bank recognized net loan loss provisions of approximately \$3.6 million during the quarter and \$6.1 million year to date as the resultant loan loss provisions are necessary in the current economic environment. This is down from \$5.1 million during the same quarter last year and \$8.8 million at the same point last year.

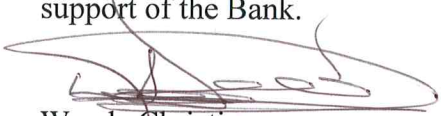
Additional details follow.

Total operating income for the quarter and year to date increased from prior year by approximately \$0.2 million or 2.28% and \$2.6 million or 16.52% respectively, and is primarily owing to an increase in other operating income by \$0.4 million or 30.57% for the quarter, and by \$2.1 million or 73.34% year to date. The \$0.6 million and \$0.3 million respective reduction in interest income for the quarter and year to date is primarily related to non-accrual loans and advances in the loan portfolio. The \$0.4 million and \$0.8 million respective decreases in interest expense are due to reduced yields on the existing deposit obligations and a lower deposit base year over year. The Bank was able to successfully reduce operating expenses which declined overall 5.34%. Loan loss provisions of \$6.1 million for the period ended at \$2.7 million or 30.26% lower than prior year to date.

The Bank continues to maintain a strong balance sheet with total assets of approximately \$792.6 million and the composite of loans and advances net, stood at \$544.9 million as at December 31, 2015. The total risk adjusted capital ratio for the Bank is within Central Bank's required guidelines, ending at 17.26% as at December 31, 2015. The Bank also improved its liquidity position, with \$65.7 million in cash and cash equivalents as at December 31, 2015 versus \$46.5 million as at December 31, 2014.

Achieving operational efficiencies, sustainable growth, and aggressively managing our non-performing loans remain primary focuses for the Bank and despite the challenged economic environment, our outlook is positive for the medium to long term. Increased value for each of our stakeholders is still a paramount commitment. The Bank continues to take prudent urgent steps to ensure it return to profitability in the earliest time frame.

We are grateful to our BOB team of employees, senior management, directors, shareholders and most importantly our individual and institutional customers who have remained loyal in their continued support of the Bank.



Wayde Christie  
Managing Director