



FINANCIAL PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 2024

Staying committed to its strategic plan on the continuous path of achieving excellence, Bank of the Bahamas Limited (the "Bank") produced positive outcomes in this fiscal year's third quarter. The domestic economy is growing steadily given the ongoing surge in tourism, the nation's steady increase in revenue, and its declining deficit. Although the outlook is positive, this is counteracted with the increasing oil prices locally and globally. During the quarter, the Bank relaunched its improved Online Banking platform for retail customers and Debit Card distribution commenced. We are pleased to report that the Bank recorded net income of \$14 million for the period ended March 31, 2024, compared to the same period last year of \$9.8 million.

The Bank's overall operating income increased by \$2.7 million when compared to the same period in the previous year. Higher interest income from the Bank's lending campaigns and the investment of its excess liquidity are attributed to this improving performance. Similarly, as the Bank recorded higher income from its auxiliary revenue streams particularly merchant services, prepaid card and credit card products, its non-interest revenue also contributed to the overall positive variance. We anticipate further growth in this segment as the Bank prepares to launch more improvement and innovation of its products and services.

The Bank's third quarter financial performance was also enhanced by a \$3.5 million net impairment reversal, as opposed to a \$2.6 million net impairment loss during the same period last year. The Bank updates its provisions assumptions based on improvements in underlying factors, combined with the tenacious efforts of the delinquency management team in booking recoveries and reversals during the period.

However, the costs of operating business remain high. The main causes of the \$4.6 million increase in operating expenses were banking and business license fees, depreciation, employee expenses, occupancy costs, and other administrative expenses. Building insurance and administrative costs went up in tandem with regulatory and statutory license fees. The Bank constantly makes investments in its staff, physical locations, and technology to provide better service to its clients.

With total assets of \$990.6 million as of March 31, 2024, of which loans and advances to customers accounted for \$391.9 million, the Bank's financial position remains strong. With a CET1 ratio of 44.4% significantly greater than the Central Bank's minimum requirement of 18% the total equity closed at \$194.4 million. The Bank continues to have strong capital and liquidity positions.

We will continue to pursue ongoing advancements in digital banking while continuing to put our customer-focused strategic plan into action. We express our gratitude to the BOB team, directors, shareholders, senior management, and our devoted clientele for their unwavering support throughout the years.

Neil Strachan, Managing Director