

**BANK OF THE BAHAMAS LIMITED**  
**Unaudited Condensed Consolidated Financial Statements**  
**For the Year Ended June 30, 2024**

# BANK OF THE BAHAMAS LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024 with comparative figures as at June 30, 2023  
(Expressed in Bahamian Dollars)

	June 30, 2024	June 30, 2023
<b>ASSETS</b>		
Cash and account with The Central Bank	\$ 91,072,158	\$ 110,194,110
Cash equivalents - Treasury Bills, net	67,642,772	61,818,157
Due from banks, net	93,111,662	83,779,906
Investment securities, net	133,135,816	106,899,357
Loans and advances to customers, net	401,374,128	372,306,886
Note receivable, net	168,470,562	166,876,244
Investment property	6,744,000	6,744,000
Other assets	17,904,478	22,061,992
Property and equipment, net	9,892,001	9,566,513
Right-of-use assets, net	4,186,747	5,677,575
Computer software, net	5,163,724	6,093,477
<b>TOTAL</b>	<b><u>\$ 998,698,048</u></b>	<b><u>\$ 952,018,217</u></b>
<b>LIABILITIES</b>		
Deposits from customers and banks	\$ 768,268,410	\$ 738,168,202
Other liabilities	22,493,113	24,212,364
Lease liabilities	4,574,180	5,906,532
Deferred loan fees	3,620,452	2,876,542
<b>Total liabilities</b>	<b><u>798,956,155</u></b>	<b><u>771,163,640</u></b>
<b>EQUITY</b>		
Share capital	43,194,515	43,194,515
Share premium	81,950,384	81,950,384
Treasury shares	(1,318,224)	(1,318,224)
Special retained earnings	172,122,932	172,122,932
Accumulated deficit	(96,207,714)	(115,095,030)
<b>Total equity</b>	<b><u>199,741,893</u></b>	<b><u>180,854,577</u></b>
<b>TOTAL</b>	<b><u>\$ 998,698,048</u></b>	<b><u>\$ 952,018,217</u></b>

## BANK OF THE BAHAMAS LIMITED

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and twelve months periods ended June 30, 2024  
with comparatives for the three and twelve months periods ended June 30, 2023  
(Expressed in Bahamian Dollars)

	Three Months		Twelve Months	
	2024	2023	2024	2023
Interest and similar income	\$ 12,401,766	\$ 11,108,718	\$ 47,984,412	\$ 43,758,848
Interest and similar expense	(1,178,309)	(1,470,222)	(4,565,450)	(4,561,157)
Net interest income	<u>11,223,457</u>	<u>9,638,496</u>	<u>43,418,962</u>	<u>39,197,691</u>
Fees and commission income	2,991,290	2,541,069	11,512,348	10,729,398
Fees and commission expense	(187,638)	(89,082)	(452,506)	(303,959)
Net fees and commission income	<u>2,803,652</u>	<u>2,451,987</u>	<u>11,059,842</u>	<u>10,425,439</u>
Other operating income	1,563,946	2,147,717	5,750,145	5,872,064
<b>Total operating income</b>	<u>15,591,055</u>	<u>14,238,200</u>	<u>60,228,949</u>	<u>55,495,194</u>
Operating expenses	(12,138,123)	(12,087,854)	(46,241,826)	(40,898,169)
Net impairment reversals/(losses)	2,271,919	(609,628)	5,759,383	(3,215,806)
<b>Net income</b>	<u>\$ 5,724,851</u>	<u>\$ 1,540,718</u>	<u>\$ 19,746,506</u>	<u>\$ 11,381,219</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net income</i>				
Movement in fair value: equity investments at FVOCI	-	-	-	216,700
<b>Total comprehensive income for the year</b>	<u>\$ 5,724,851</u>	<u>\$ 1,540,718</u>	<u>\$ 19,746,506</u>	<u>\$ 11,597,919</u>
<b>EARNINGS PER SHARE CALCULATION:</b>				
<b>NET INCOME</b>	\$ 5,724,851	\$ 1,540,718	\$ 19,746,506	\$ 11,381,219
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES</b>	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>
<b>EARNINGS PER SHARE</b>	<u>\$ 0.13</u>	<u>\$ 0.04</u>	<u>\$ 0.46</u>	<u>\$ 0.26</u>

## BANK OF THE BAHAMAS LIMITED

### UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024  
with comparatives for the year ended June 30, 2023  
(Expressed in Bahamian Dollars)

	Share Capital	Share Premium	Treasury Shares	Net Gain Investments at FVOCI	Special Retained Earnings	Accumulated Deficit	Total
<b>Balance at June 30, 2022</b>	\$ 42,610,505	\$ 81,950,384	\$ (1,318,224)	\$ 2,880,297	\$ 172,122,932	\$ (128,559,641)	\$ 169,686,253
Transfer of FVOCI on equity investments	-	-	-	(3,096,997)	-	3,096,997	-
<i>Total comprehensive income:</i>							
Net income for the year	-	-	-	-	-	11,381,219	11,381,219
Movement in fair value: equity investments at FVOCI	-	-	-	216,700	-	-	216,700
Transfer of preference shares issuance costs	584,010	-	-	-	-	(584,010)	-
Dividends paid to common shareholders	-	-	-	-	-	(429,595)	(429,595)
<b>Balance at June 30, 2023</b>	<b>\$ 43,194,515</b>	<b>\$ 81,950,384</b>	<b>\$ (1,318,224)</b>	<b>\$ -</b>	<b>\$ 172,122,932</b>	<b>\$ (115,095,030)</b>	<b>\$ 180,854,577</b>
<b>Balance at June 30, 2023</b>	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ -	\$ 172,122,932	\$ (115,095,030)	\$ 180,854,577
<i>Total comprehensive income:</i>							
Net income for the year	-	-	-	-	-	19,746,506	19,746,506
Dividends paid to common shareholders	-	-	-	-	-	(859,190)	(859,190)
<b>Balance at June 30, 2024</b>	<b>\$ 43,194,515</b>	<b>\$ 81,950,384</b>	<b>\$ (1,318,224)</b>	<b>\$ -</b>	<b>\$ 172,122,932</b>	<b>\$ (96,207,714)</b>	<b>\$ 199,741,893</b>

# BANK OF THE BAHAMAS LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2024  
with comparatives for the year ended June 30, 2023  
(Expressed in Bahamian Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 19,746,506	\$ 11,381,219
Adjustments for:		
Interest income	(47,984,412)	(43,758,848)
Interest expense	4,565,450	4,561,157
Depreciation and amortization	5,710,076	4,585,145
Gain on sale of investment securities	-	(3,403)
Gain on revaluation of assets FVTPL	(69,370)	-
Gain on revaluation of investment property	-	(281,000)
Loss on disposal of computer software	109,694	-
Loss on disposal of fixed assets	136,714	233,135
Impairment (reversals)/losses, net	(5,759,383)	3,215,806
Interest received	46,499,179	45,302,784
Interest paid	(4,820,518)	(4,439,680)
	<u>18,133,936</u>	<u>20,796,315</u>
Increase in loans and advances to customers, net	(24,160,253)	(4,397,908)
Increase/(decrease) in deposits from customers and banks	30,355,276	(21,991,539)
Decrease/(increase) in other assets	4,157,512	(9,043,741)
Decrease in other liabilities	(1,719,251)	(24,780,029)
Increase in deferred loan fees	743,910	252,707
Increase in reserve deposit	(10,320)	(1,415,250)
Net cash provided by/(used in) operating activities	<u>27,500,810</u>	<u>(40,579,445)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(2,481,279)	(2,459,039)
Acquisition of computer software	(923,402)	(850,312)
Purchase of investment securities	(42,001,689)	(49,020,200)
Proceeds from maturity of investment securities	16,558,600	12,194,500
Proceeds from sale of investment securities	-	3,323,089
Proceeds from disposal of property and equipment	6,115	-
Net cash used in investing activities	<u>(28,841,655)</u>	<u>(36,811,962)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease liabilities	(1,795,175)	(1,737,290)
Dividends paid on common shares	(859,190)	(429,595)
Net cash used in financing activities	<u>(2,654,365)</u>	<u>(2,166,885)</u>
Decrease in cash and cash equivalents	(3,995,210)	(79,558,292)
Cash and cash equivalents, beginning of year	227,224,445	306,782,737
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 223,229,235</u></u>	<u><u>\$ 227,224,445</u></u>

**BANK OF THE BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements**

For the year ended June 30, 2024  
(Expressed in Bahamian Dollars)

---

**1. Corporate Information**

Bank of The Bahamas Limited (the “Bank”) is incorporated under the laws of The Commonwealth of The Bahamas and is licensed by The Central Bank of the Bahamas to conduct banking business in The Bahamas under the provisions of the Banks and Trust Companies Regulations Act, 2020. The Bank is also licensed as an authorized dealer pursuant to the Exchange Control Regulations Act.

The Bank’s shares are publicly traded and listed on The Bahamas International Securities Exchange. As at June 30, 2024, The Government of The Commonwealth of The Bahamas (the “Government”) and The National Insurance Board (“NIB”) owned approximately 82.6% of the issued common shares. The remaining common shares are owned by approximately 3,000 Bahamian shareholders.

The Bank’s head office is located at Claughton House, corner of Shirley Street and Charlotte Street, Nassau, Bahamas. The registered office is located at Sassoon House, corner of Shirley Street and Victoria Avenue, Nassau, Bahamas.

As at June 30, 2024, the Bank has twelve branches: four in New Providence, one in Grand Bahama, two in Andros, one in San Salvador, one in Inagua, one in Cat Island, one in Eleuthera and one in Bimini.

**2. Significant Accounting Policies**

The significant accounting policies and methods of computation followed in the preparation of these interim consolidated financial statements are the same as those followed in the preparation of the annual consolidated financial statements of the Bank for the year ended June 30, 2024. These consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). The preparation of the consolidated 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.

**BANK OF THE BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements**

For the year ended June 30, 2024  
(Expressed in Bahamian Dollars)

---

**3. Dividends**

Dividends to the Bank's shareholders are recognized as a liability in the year in which they are declared by the Board of Directors and approved by the Bank's Regulator. The Bank declared dividends of \$0.01 per share and paid dividends on November 16, 2023, and May 23, 2024 totaling \$0.9 million to its common shareholders during the year (June 30, 2023: \$0.4 million).

**4. Cash and Cash Equivalents**

Cash & Cash Equivalents

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Cash	\$ 17,064,846	\$ 15,311,876
Deposits with the Central Bank- non-interest bearing	74,007,312	94,882,234
Cash and account with the Central Bank	<u>91,072,158</u>	<u>110,194,110</u>
Cash equivalents - Treasury Bills	67,700,525	61,879,290
Due from banks	<u>93,111,662</u>	<u>83,795,835</u>
Cash, cash equivalents and due from banks	251,884,345	255,869,235
Less: Mandatory reserve deposits with the Central Bank	<u>28,655,110</u>	<u>28,644,790</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 223,229,235</u></b>	<b><u>\$ 227,224,445</u></b>

Government issued Treasury Bills are presented in the consolidated statement of financial position, net of \$57,753 (June 30, 2023: \$61,133) allowance for impairment losses. Money market placements of \$Nil (June 30, 2023: \$15.8 million) are included in Due from banks. Due from banks are presented in the consolidated statement of financial position, net of \$Nil (June 30, 2023: \$15,929) allowance for impairment losses.

As at June 30, 2024, the Bank's statutory reserve deposits with The Central Bank of The Bahamas were above Central Bank's regulatory requirement.

**BANK OF THE BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial**  
**Statements**

For the year ended June 30, 2024  
(Expressed in Bahamian Dollars)

**5. Loans and advances to customers, net**

**Loans and advances to customers, net**

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Mortgage residential loans	\$ 186,586,205	\$ 180,054,438
Mortgage commercial loans	10,700,739	11,801,749
Commercial loans	54,753,105	55,026,322
Consumer loans	153,545,775	126,592,321
Government	27,791,258	37,790,781
Credit cards	2,940,953	2,513,798
Business overdrafts	841,346	779,587
Personal overdrafts	85,907	143,059
	<u>\$ 437,245,288</u>	<u>\$ 414,702,055</u>
<b>Less: Provision for loan losses</b>		
Provision at beginning of year	\$ 44,272,295	\$ 52,846,015
Amount written-off/charged off	(1,617,019)	(9,420,835)
Credit loss (reversals)/expense, net	(5,117,386)	847,115
<b>Provision at end of year</b>	<u>37,537,890</u>	<u>44,272,295</u>
Accrued interest receivable, net	1,666,730	1,877,126
<b>Loans and advances to customers, net</b>	<u><u>\$ 401,374,128</u></u>	<u><u>\$ 372,306,886</u></u>
Provisions as a percentage of the net loan portfolio	9.35%	11.89%
Non-accrual loans as a percentage of the net loan portfolio	10.93%	17.66%
Non-accrual loans as a percentage of the gross loan portfolio	10.03%	15.85%



## **BANK OF THE BAHAMAS LIMITED**

### **Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements**

For the year ended June 30, 2024  
(Expressed in Bahamian Dollars)

---

#### **6. Note Receivable, net and Special Retained Earnings**

On August 31, 2017, Bahamas Resolve Limited (“Resolve”), a special purpose vehicle owned and controlled by the Government, purchased another portfolio of loans from the Bank at a price equivalent to the gross book value of those loans before provisions. This transaction consisted of three tranches and the results are as follows:

- Non-performing loans with a total net book value of approximately \$50.6 million was derecognized. Unsecured promissory note of \$167.7 million was received and \$117.1 million was recognized directly in equity as Special Retained Earnings.
- The Bank has transferred all of its rights and obligations relating to the non-performing loans to Resolve without recourse and will have no rights to future cash flows from the non-performing loans.
- The Bank received an irrevocable Letter of Support from the Government.
- In 2022, the original maturity of August 31, 2022 had been extended by 3 years to August 31, 2025 at 4% fixed interest rate with quarterly interest payments. In September 2023, the interest rate was changed to 3% with semi-annual interest payment at the end of February and August. Accrued interest receivable as at June 30, 2024 amounted to \$1.7 million (June 30, 2023: \$0.6 million).
- Provision for impairment losses amounted to \$0.9 million as at June 30, 2024 (June 30, 2023: \$1.4 million).

**BANK OF THE BAHAMAS LIMITED**  
**Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements**

For the year ended June 30, 2024  
(Expressed in Bahamian Dollars)

---

**7. Regulatory Capital**

Bahamas Capital Regulations, 2022 came into effect on July 15, 2022. The Bank's total regulatory capital consists of the sum of total Common Equity Tier 1 capital only, net of regulatory adjustments. CET1 plus capital buffers must be at least 18% and the minimum leverage ratio of 6% has been introduced. The Bank remains compliant with total regulatory capital at 43.4% as at June 30, 2024 (June 30, 2023: 44.7%) and leverage ratio of 18.7% as at June 30, 2024 (June 30, 2023: 17.2%).

**8. Commitments and Contingencies**

*Commitments*

The commitment for loans and advances at June 30, 2024 was \$40.4 million (June 30, 2023: \$10.1 million).

The commitment for capital expenditures at June 30, 2024 was \$1.0 million (June 30, 2023: \$0.2 million).

The commitment for letters of credit and guarantees at June 30, 2024 was \$3.5 million (June 30, 2023: \$3.4 million)

*Contingencies and Provision*

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Bank is involved in various litigation proceedings in the ordinary course of its business. The Bank has internal and external legal counsel, and formal controls and policies for managing legal claims. With the benefit of professional legal advice, the Bank provides and/or discloses amounts in accordance with its accounting policies.

As at the year end, the Bank had several ongoing legal claims. Various legal proceedings are pending that challenge certain actions of the Bank. Management considers that adequate provision has been made in these financial statements for any loss that might ultimately be determined.