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NOTICE TO SHAREHOLDERS

Bank of The Bahamas Limited ("the Bank") is pleased to announce that its Quarterly Unaudited Condensed Consolidated Financial Statements as at June 30, 2018 is available and a copy of the statements can be accessed from the Bank's website, www.bankbahamas.com

BANK OF THE BAHAMAS LIMITED
Unaudited Condensed Consolidated Financial Statements
Year ended June 30, 2018
Excerpts Only

Unaudited Consolidated Statement of Financial Position as at June 30, 2018

Total Assets	\$832,960,206
Total Liabilities	\$655,539,542
Total Equity	\$177,420,664

Unaudited Consolidated Statement of Comprehensive Income for the year ended June 30, 2018

Net interest income	\$27,584,347
Total comprehensive income	\$ 2,532,234



FINANCIAL PERFORMANCE FOR THE QUARTER ENDED JUNE 30, 2018

Operational efficiencies and revenue growth strategies continued to improve the Bank's financial results of operations. The Bank's year-to-date results recorded net income of \$1.5 million for the year ended June 30, 2018, compared to the prior year's net loss of \$46.5 million. Total operating income decreased by \$1.3 million or 12.03% for the quarter but recorded an increase of \$2.3 million or 6.23% year-to-date compared to prior year, explained largely by higher net interest income and net non-interest income. The net positive variance in net interest income of \$1.1 million or 3.95% year-to-date was primarily due to the decrease in interest expense of \$3.1 million as a result of the prime rate reduction since January 2017, decrease in deposit base balances and the shift in deposit portfolio composition from higher yielding to lower yielding deposit products, offset by a \$2.0 million decrease in interest income due to an overall decline in the balance of performing loan portfolio. Net non-interest income increased by \$1.2 million or 12.24% year-to-date, which was due mainly to higher fee and commission income and other miscellaneous income as the Bank strengthens its auxiliary revenue streams. In addition to growth in revenue, the Bank saw a reduction in operating expenses of \$0.8 million or 9.70% compared to prior year's quarter and by \$1.5 million or 4.75% compared to prior year-to-date. Year-to-date, the Bank recognized net credit loss expense of approximately \$7.6 million compared to \$52.0 million in the prior year, a significant decrease of 85.43%.

During the second quarter, the Bank concluded its transaction with Bahamas Resolve Limited which resulted in an overall improvement in the Bank's credit quality and increase in its capital base. The Bank also redeemed its \$100.0 million note receivable from the first Resolve transaction improving the Bank's liquidity position. The Bank strengthened its asset portfolio with total assets increased to \$833.0 million as at June 30, 2018 from \$755.8 million as at June 30, 2017. The Bank's key capital ratios continued to be in compliance with regulatory requirements, with Total Capital Ratio of 45.3%, well above the Central Bank's minimum requirement of 18.0%. The Bank's total equity closed at a balance of \$177.4 million, significantly higher than \$63.9 million as of June 30, 2017.

We continue to pursue targeted strategic initiatives around corporate governance, information technology advancement, operational efficiency, collections, cost optimization and customer care. Achieving optimal operating efficiencies and increased value creation for all stakeholders remain our primary emphasis. The Bank continues on its path of rebuilding, and we are working steadfastly to a period of sustained profitability. We are grateful to our BOB team of employees, management, directors, shareholders and most importantly our customers in their continued support of the Bank.

Jihanne Hosmillo-Williams
Chief Financial Officer