



FINANCIAL PERFORMANCE FOR THE QUARTER ENDED DECEMBER 31, 2020

As Bank of the Bahamas Limited (the “Bank”) closes the 2020 calendar year, we are still cognizant of the ongoing effects stemming from the spread of COVID-19 and the actions to contain it, which have had a dramatic impact on the local economy and on many other countries around the world. The pandemic has resulted in travel and border restrictions, quarantines, curfews and lockdowns causing lower consumer demand and general market uncertainty. Notwithstanding, the Bank recorded Net Income of \$0.06 million for the six months ended December 31, 2020. The Bank remains committed to overcoming this crisis, focused on our Strategic Plan in strengthening of our systems, expanding of products, and improving overall customer service.

Comparing the current period ended December 31, 2020 to the prior period ended December 31, 2019, the Bank’s total operating income decreased by \$0.7 million or 5.64% for the current quarter and \$0.7 million or 3.28% for the current fiscal year to date due to lower net non-interest income, partially offset by higher net interest income. The impact of the pandemic was immediately felt by the Bank on its non-interest income resulting in an overall decline of \$0.9 million and \$1.2 million for the current quarter and year to date, respectively. The positive variance in net interest income of \$0.3 million and \$0.5 million were attributable to lower interest expense owing to a decline in certain deposit balances and interest rates.

The Bank’s operating expenses increased by \$1.4 million or 18.52% for the current quarter and \$2.1 million or 14.25% year to date as higher bank license fee of \$0.6 million was recorded by the Bank due to the increase in levy imposed by the Central Bank. Increases were also noted in staff costs, depreciation and IT related expenses as the Bank invested in the human resources, system innovation, and upgrades to support the Bank’s planned growth and strategic initiatives. Net credit loss expenses of \$4.4 million were recorded year to date compared to \$5.1 million of net credit loss expenses during the same period of the prior fiscal year - a 13.35% positive variance.

The Bank continues to maintain a strong financial position with total assets of \$936.0 million and the composite of loans and advances, net of \$379.4 million as at December 31, 2020. Total equity closed at \$154.6 million and the Bank’s liquidity position also remained strong as its cash and cash equivalents stood at \$274.9 million. The Bank’s key capital ratios continued to be in compliance with regulatory requirements, with CET1 Ratio of 36.8%, well above the Central Bank’s requirement of 9.6%.

We continue the journey to reach a position of sustainable profitability and growth for many years to come. Our quest has not been an easy one, but we pledge our commitment to keep paramount the safety and health of our dedicated and qualified BOB team of employees, management, directors, shareholders and most importantly our customers.

Kenrick Brathwaite
Managing Director