



FINANCIAL PERFORMANCE FOR THE PERIOD ENDED December 31, 2023

Bank of the Bahamas Limited (the "Bank") remained focused in its strategic plan and delivered encouraging results during the second quarter of this fiscal year. Domestically, the economy is continuing to flourish with the persistent tourism outturn and the country's gradual growth in revenue and decrease in deficit. We are pleased to report that the Bank recorded net income of \$6.0 million for the period ended December 31, 2023, compared to the same period last year of \$4.8 million.

The Bank's total operating income grew by \$2.1 million compared to the same period in the preceding year. This progressive performance is imputed to higher interest income derived from the Bank's loan campaigns, and investment of its excess liquidity. Likewise, the Bank's non-interest revenue contributed to the overall positive variance as the Bank recorded higher income from its auxiliary revenue streams, particularly fees, commissions and merchant services.

The financial performance of the Bank in this second quarter was also positively impacted by the net impairment reversal of \$0.4 million compared to a net impairment loss of \$3.0 million for the same period in the previous year. Net impairment reversal is attributed to the Note receivable balance where the Bank adjusted its provisions assumptions based on the interest payments performance, the economy, and its related positive indicators.

Operating expenses increased by \$4.3 million mostly due to employee and occupancy expenses, other administrative costs, banking and business licenses and depreciation expenses. Regulatory and statutory license fees increased along with additional building insurance and administrative expenses. To better serve its clients, the Bank continuously invests in its employees, physical premises, and its technology.

The Bank's financial position remains robust with total assets of \$925.0 million, of which loans and advances to customers, net accounted for \$372.5 million as at December 31, 2023. Total equity closed at \$186.4 million, with CET1 ratio of 45.5%, which is well above the Central Bank's minimum requirement of 18.0%. The Bank's capital and liquidity positions remain formidable.

We will persist in implementing our customer-focused strategic plan and pursuing continuous advancements in digital banking. We would like to thank the BOB team, directors, senior management, shareholders, and our loyal customers for their years of support over the years.

Neil Strachan, Managing Director