



FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2024

Bank of the Bahamas Reports Banner Year Performance with 72.8% increase in Net Income of \$19.7 million; underpinned by strong income in Retail Banking, Asset Quality and Credit Production.

Bank of the Bahamas Limited (the "Bank") has achieved exceptional results for its fiscal year ended June 30, 2024, with net income of \$19.7 million, compared to \$11.4 million in the previous year. Performance was primarily fueled by an aggressive sales strategy, operating efficiency improvements in the Bank's credit process flow, along with strong Collections and Recovery activities.

We have delivered excellent commercial performance in Retail Banking with consumer loan growth of 21% or \$27 million, supported by a resilient net interest income. Our growing customer base and favorable market conditions have helped us lift interest income from reinvestments of our excess liquidity.

During the year, the Bank commenced distribution of Debit Cards, opened its Mortgage Center, and relaunched its enhanced Online Banking Platform for retail clients. The Bank held successful sales campaigns and hosted other credit growth initiatives including its Mortgage Fair and Auto Shows ("Automania"), along with participation in several financial symposiums throughout New Providence and the Family Islands. We also forged strategic partnerships and initiatives that have been pivotal in the Bank's performance. The Bank's overall operating income increased by \$4.7 million when compared to the previous fiscal year. Interest income contributed \$4.2 million to this overall increase, generated from the Bank's lending campaigns and placement of its excess liquidity in money market and investment vehicles. The increase in non-interest revenue of \$0.5 million also aided in the overall positive variance, as the Bank recorded higher income from merchant services and its card products.

In addition, a \$5.8 million net impairment reversal enhanced the Bank's financial performance compared to a \$3.2 million net impairment loss recorded in the prior year. The delinquency management team's relentless efforts to book recoveries and reversals throughout the year, along with significant improvement in unemployment rate and GDP growth as underlying factors in the Bank's impairment calculation, are the primary reasons driving the net reversal result.

Nonetheless, the expense of operating our business remains high. Depreciation, employee expenses, business license fees, IT costs, and other administrative expenses were the primary reasons for the \$5.3 million increase in operating expenses. Regulatory and statutory license fees were accompanied by increases in building insurance and administrative expenses. To better serve our customers, the Bank continues to invest in its employees, physical locations, and technology.

With total assets of \$998.7 million as of June 30, 2024, of which loans and advances to customers accounted for \$401.4 million, the Bank continues to have solid financial position. With a capital ratio (CET1) of 43.4% significantly greater than the Central Bank's minimum requirement of 18%, the total equity closed at \$199.7 million. Strong capital and liquidity positions are consistently maintained by the Bank.

We will continue in our pursuit of continuous improvements in digital banking while simultaneously implementing our customer-centric strategic plan. We would like to thank our loyal customers, senior management, directors, shareholders, and the BOB team for their unwavering support over the years, as we persevere in being "Your Bank of Solutions."

Neil Strachan, Managing Director