

BANK OF THE BAHAMAS LIMITED
Unaudited Condensed Consolidated Financial Statements
For the Period Ended March 31, 2025

BANK OF THE BAHAMAS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2025 with comparative figures as at June 30, 2024
(Expressed in Bahamian Dollars)

	March 31, 2025	June 30, 2024
ASSETS		
Cash and account with The Central Bank	\$ 96,495,578	\$ 91,072,158
Cash equivalents - Treasury Bills, net	44,858,270	67,642,772
Due from banks	86,444,287	93,111,662
Investment securities, net	137,053,247	133,135,816
Loans and advances to customers, net	458,628,594	401,415,699
Note receivable, net	165,555,336	168,470,562
Investment property	6,744,000	6,744,000
Other assets	20,475,450	17,664,038
Property and equipment, net	16,487,811	9,892,001
Right-of-use assets, net	3,133,467	4,186,746
Computer software, net	5,697,179	5,163,724
TOTAL	\$ 1,041,573,219	\$ 998,499,178
LIABILITIES		
Deposits from customers and banks	\$ 796,598,777	\$ 768,268,410
Other liabilities	25,865,632	22,380,071
Lease liabilities	3,420,642	4,574,180
Deferred loan fees	3,955,170	3,620,452
Total liabilities	829,840,221	798,843,113
EQUITY		
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	(84,216,609)	(96,293,542)
Total equity	211,732,998	199,656,065
TOTAL	\$ 1,041,573,219	\$ 998,499,178

BANK OF THE BAHAMAS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended March 31, 2025
with comparatives for the nine months ended March 31, 2024
(Expressed in Bahamian Dollars)

	Three Months		Nine Months	
	2025	2024	2025	2024
Interest and similar income	\$ 12,738,446	\$ 12,989,338	\$ 39,187,252	\$ 35,582,646
Interest and similar expense	(1,074,363)	(1,121,467)	(3,216,284)	(3,387,141)
Net interest income	<u>11,664,083</u>	<u>11,867,871</u>	<u>35,970,968</u>	<u>32,195,505</u>
Fees and commission income	3,732,082	2,951,135	10,964,518	8,521,059
Fees and commission expense	(124,744)	(118,617)	(330,973)	(264,868)
Net fees and commission income	<u>3,607,338</u>	<u>2,832,518</u>	<u>10,633,545</u>	<u>8,256,191</u>
Other operating income	1,566,524	1,438,656	4,130,874	4,186,198
Total operating income	<u>16,837,945</u>	<u>16,139,045</u>	<u>50,735,387</u>	<u>44,637,894</u>
Operating expenses	(11,933,180)	(11,240,007)	(35,656,164)	(34,103,703)
Net impairment (losses)/reversals	(387,908)	3,075,593	(2,143,100)	3,487,464
Net income	<u>\$ 4,516,857</u>	<u>\$ 7,974,631</u>	<u>\$ 12,936,123</u>	<u>\$ 14,021,655</u>
EARNINGS PER SHARE CALCULATION:				
NET INCOME	\$ 4,516,857	\$ 7,974,631	\$ 12,936,123	\$ 14,021,655
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>
EARNINGS PER SHARE	<u>\$ 0.11</u>	<u>\$ 0.19</u>	<u>\$ 0.30</u>	<u>\$ 0.33</u>

BANK OF THE BAHAMAS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2025
with comparatives for the nine months ended March 31, 2024
(Expressed in Bahamian Dollars)

	Share Capital	Share Premium	Treasury Shares	Special Retained Earnings	Accumulated Deficit	Total
Balance at June 30, 2023	\$ 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 period	-	-	-	-	14,021,655	14,021,655
Dividends paid to common shareholders	-	-	-	-	(429,595)	(429,595)
Balance at March 31, 2024	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (101,502,970)	\$ 194,446,637
Balance at June 30, 2024	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (96,293,542)	\$ 199,656,065
<i>Total comprehensive income:</i>						
Net income for the period	-	-	-	-	12,936,123	12,936,123
Dividends paid to common shareholders	-	-	-	-	(859,190)	(859,190)
Balance at March 31, 2025	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (84,216,609)	\$ 211,732,998

BANK OF THE BAHAMAS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2025
with comparatives for the nine months ended March 31, 2024
(Expressed in Bahamian Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 12,936,123	\$ 14,021,655
Adjustments for:		
Interest income	(39,187,252)	(35,582,646)
Interest expense	3,216,284	3,387,141
Depreciation and amortization	4,541,634	4,228,072
Gain on revaluation of investment securities FVTPL	(290,384)	(293,856)
Loss on disposal of property and equipment	-	4,773
Impairment losses/(reversals), net	2,143,100	(3,487,464)
	<u>(16,640,495)</u>	<u>(17,722,325)</u>
Changes in:		
Increase in loans and advances to customers, net	(57,985,606)	(16,617,114)
Increase in deposits from customers and banks	28,258,303	23,618,842
(Increase)/decrease in other assets	(2,791,104)	5,007,498
Increase in other liabilities	3,485,561	1,390,912
Increase in deferred loan fees	334,718	571,335
(Increase)/decrease in reserve deposit	(299,970)	1,685,550
	<u>(28,998,098)</u>	<u>15,657,023</u>
Interest received	39,682,177	33,555,979
Interest paid	(3,144,220)	(3,002,143)
Net cash (used in)/provided by operating activities	<u>(9,100,636)</u>	<u>28,488,534</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(8,179,633)	(1,215,606)
Acquisition of computer software	(1,940,259)	(767,013)
Purchase of investment securities	(28,000,000)	(36,743,208)
Proceeds from maturity of investment securities	24,866,800	13,651,800
Proceeds from disposal of property and equipment	-	6,115
Net cash used in investing activities	<u>(13,253,092)</u>	<u>(25,067,912)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(1,651,264)	(1,400,057)
Dividends paid on common shares	(859,190)	(429,595)
Repayment of notes receivable	506,255	-
Net cash used in financing activities	<u>(2,004,199)</u>	<u>(1,829,652)</u>
Net (decrease)/increase in cash and cash equivalents	(24,357,927)	1,590,970
Cash and cash equivalents, beginning of period	223,229,235	227,244,445
Cash and cash equivalents, end of period	<u>\$ 198,871,308</u>	<u>\$ 228,835,415</u>

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

For the period ended March 31, 2025
(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 March 31, 2025, 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 Cloughton 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 March 31, 2025, 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. As at March 31, 2025, the Bank has Agency Banking in Abaco.

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 period ended March 31, 2025
(Expressed in Bahamian Dollars)

3. Dividends

Dividends to the Bank's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors and approved by the Bank's Regulator. On October 21, 2024, the Bank declared dividends of \$0.02 per share and paid dividends on November 21, 2024, totaling \$0.9 million to its common shareholders during the year (June 30, 2024: \$0.9 million).

4. Cash and Cash Equivalents

	March 31, 2025	June 30, 2024
Cash	\$ 18,893,094	\$ 17,064,846
Deposits with the Central Bank- non-interest bearing	77,602,484	74,007,312
Cash and account with the Central Bank	96,495,578	91,072,158
Cash equivalents - Treasury Bills	44,886,523	67,700,525
Due from banks	86,444,287	93,111,662
Cash, cash equivalents and due from banks	227,826,388	251,884,345
Less: Mandatory reserve deposits with the Central Bank	28,955,080	28,655,110
Total cash and cash equivalents	\$ 198,871,308	\$ 223,229,235

Government issued Treasury Bills are presented in the consolidated statement of financial position, net of \$28,253 (June 30, 2024: \$57,753) allowance for impairment losses.

As at March 31, 2025, 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 period ended March 31, 2025

(Expressed in Bahamian Dollars)

5. Loans and advances to customers, net

	March 31, 2025	June 30, 2024
Mortgage residential loans	\$ 211,800,382	\$ 186,586,205
Mortgage commercial loans	4,565,521	10,700,739
Commercial loans	62,646,199	54,753,105
Consumer loans	192,005,748	153,545,775
Government	18,680,323	27,791,258
Credit cards	3,629,800	2,982,525
Business overdrafts	1,127,340	841,345
Personal overdrafts	318,697	85,907
	\$ 494,774,010	\$ 437,286,859
Less: Provision for loan losses		
Provision at beginning of year	\$ 37,537,890	\$ 44,272,295
Amount written-off/charged off	(498,455)	(1,617,019)
Credit loss expense/(reversals), net	1,176,442	(5,117,386)
Provision at end of period	38,215,877	37,537,890
Accrued interest receivable, net	2,070,461	1,666,730
Loans and advances to customers, net	\$ 458,628,594	\$ 401,415,699
Provisions as a percentage of the net loan portfolio	8.33%	9.35%
Non-accrual loans as a percentage of the net loan portfolio	7.38%	11.67%
Non-accrual loans as a percentage of the gross loan portfolio	6.84%	10.71%

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

For the period ended March 31, 2025

(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 fiscal 2023, 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.
- Principal payment of \$0.5 million was received in November 2024.
- By December 2024, the previous maturity of August 31, 2025 was further extended to August 31, 2027 and the fixed interest rate was changed to 3.25%.
- Accrued interest receivable as at March 31, 2025 amounted to \$0.5 million (June 30, 2024: \$1.7 million). Provision for impairment losses amounted to \$2.1 million as at March 31, 2025 (June 30, 2024: \$0.9 million).

BANK OF THE BAHAMAS LIMITED

Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements

For the period ended March 31, 2025

(Expressed in Bahamian Dollars)

7. Regulatory Capital

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 must be at 6%. The Bank remains compliant with total regulatory capital at 41.4% as at March 31, 2025 (June 30, 2024: 43.4%) and leverage ratio of 19.3% as at March 31, 2025 (June 30, 2024: 18.7%).

8. Commitments and Contingencies

Commitments

The commitment for loans and advances at March 31, 2025 was \$35.2 million (June 30, 2024: \$40.4 million).

The commitment for capital expenditures at March 31, 2025 was \$0.4 million (June 30, 2024: \$0.6 million).

The commitment for letters of credit and guarantees at March 31, 2025 was \$3.4 million (June 30, 2024: \$3.5 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 period 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.

BANK OF THE BAHAMAS LIMITED

Selected Explanatory Notes to the Unaudited Condensed Consolidated Financial Statements

For the period ended March 31, 2025

(Expressed in Bahamian Dollars)

9. Subsequent event

On April 21, 2025, the Board of Directors of the Bank declared dividends of \$0.02 per share to all shareholders of record as at May 19, 2025, and payable on May 22, 2025.