PARTNERSHIP

Bank of The Bahamas
LIMITED

2011 Annual Report

VISION

To be recognised domestically and internationally as the most respected & progressive Bahamian retail financial enterprise

CULTURE

Solutions-oriented leaders

CORE VALUES

- Commitment to excellence & basic human values
- Personalized customer care & attention
- Leadership acumen
- Unwavering dedication to stakeholder value

MISSION STATEMENT

To be the institution of first choice in the provision of financial services through the proficient delivery of customer friendly products and services, supported by innovative business and technological solutions and driven by a team of astute and dedicated professionals.

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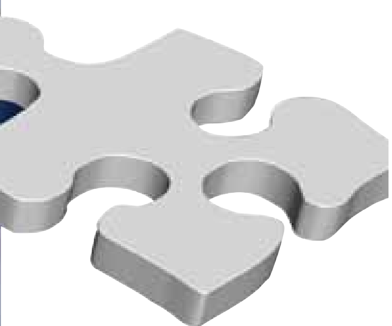


BOB
Bank of Solutions.

A small child reaches for his mother's hand just as she reaches hers out to him. They cross a street. An emerging entrepreneur turns to his banker for a small business loan, the banker, satisfied, responds positively. An established businesswoman asks a supplier to extend payment terms for a limited time. The supplier agrees. Business resurges. A natural disaster throws the medical community into crisis until it leans on doctors who readily agree to volunteer their time and the crisis abates.

Simple as those actions seem, each starts with a need, a need fulfilled through relationships, the foundation of partnership.

Banking, like other businesses, is about relationships, built on trust. As Blockbusters' founder Wayne Huizenga—the only person to have founded three Fortune 500 companies—once declared:

> **"I don't want to be just a voice on the phone. I have to get to know these guys face-to-face and develop a sincere relationship. That way, if we run into problems in a deal, it doesn't get adversarial. We trust each other and have the confidence we can work things out."**

The desire to do business with those with whom we have a relationship is so universal that we all share the frustration of the couple in the TV ad who are trying to enter a bank. Two gentlemen at the door block their way, belittling them for wanting human contact when they can do their banking other ways. "But we want to talk to a banker. We have questions," they say, pleading before they turn on their heels and walk away.

The bank that fails to understand the power of partnership fails in its responsibility to community.

For 22 years, at Bank of The Bahamas, BOB, we have built our business and our place in the broader community by understanding that partnership is at the basis of all we do. The results fill us with pride. As you will see in these pages, BOB today has some 45,000 deposit accounts, more than 4,000 shareholders, total assets of $824 million with a risk capital reserve ratio in excess of 20%, significantly greater than the standards set by The Central Bank. During three years of a challenging economy, BOB has continued to partner with clients to encourage growth and boost home ownership. In fiscal 2011, some 35% of our lending portfolio was allocated to commercial enterprises, accounting for $238 million in loans,

an increase of 12.8% year-over-year and a critical component for employment. Home mortgages grew at a consistent 4.9% per annum.

Perhaps nothing says partnership more powerfully than the relationship between shareholders and BOB. Since the Bank went public in 1994, BOB has paid out some $48 million in dividends.

Initial share price was $2; share price at year-end was $6.93. If you had purchased 1,000 shares at $2/per share in 1994 and held those shares, that initial investment would have more than tripled with a value of $6,930 today. An initial purchase of 5,000 shares for an investment of $10,000 would be worth $34,650. And you would have shared in some $48 million in dividends.

Advancing partnership is not lip-service. It is policy inspired by the knowledge that from that small child reaching up for his mother's hand to the successful businessperson reaching out to a banker for capital expansion, partnership is power.

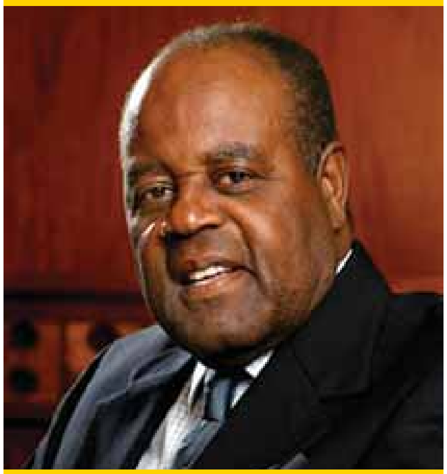
And thus, we proudly dedicate the 2011 Annual Report to our customers, staff, management and to you, our shareholders, who make the power of partnership possible.

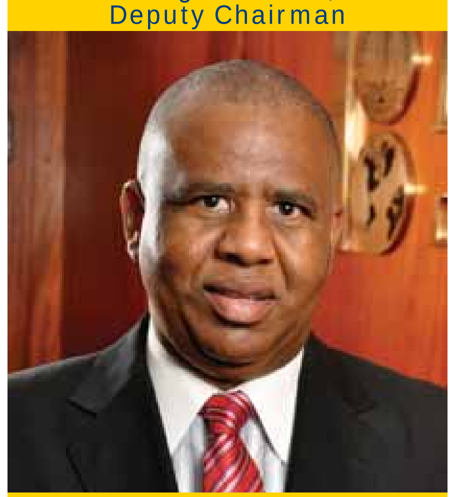
ERSHIP


Macgregor Robertson,
Chairman


Craig T. Gomez,
Deputy Chairman


Paul McWeeney,
Managing Director


Wesley Bastian


Algernon Cargill


Terence Gape


Patricia Hermanns


Dr. Pandora Johnson


Hartis Pinder


Khaalis Rolle


Anton Sealey

Board of Directors

Macgregor Robertson, Chairman

A founding partner of the firm that evolved into Deloitte and Touche, Mr. Robertson served as its Managing Partner for The Bahamas and Caribbean until 2004. He is a member of both the Nova Scotia Institute and Canadian Institute of Chartered Accountants.

Craig T. Gomez, Deputy Chairman

Managing Partner of Baker Tilly Gomez Chartered Accountants, Mr. Gomez is a member of the Bahamas Institute of Chartered Accountants, immediate past Chairman of the Bahamas Financial Services Board, President of the Kiwanis Club of Nassau A.M., and a member of the Central Bank of The Bahamas Auditors Advisory Committee. Mr. Gomez holds a B. Sc. degree from Minnesota State University at Mankato and is a Certified Public Accountant.

Paul McWeeney, Managing Director

Starting his career at Chase Manhattan, N.A., Mr. McWeeney has nearly 30 years experience in the financial services industry internationally and in The Bahamas. Joining Bank of The Bahamas in 1993, he was appointed Managing Director in 2001. McWeeney currently presides on the board of directors in an appointed capacity as managing director. He serves on several financial regulatory and civic boards.

Wesley Bastian

Mr. Bastian began his professional career at the Bank of Nova Scotia in 1966. He is the Managing Director of Sewma Holdings Ltd. Real Estate and Bahamas Subs & Salads. Mr. Bastian is also a Director on the Board of Security & General Insurance Company and the Chairman of the St. Joseph's Parish Finance Council.

Algernon Cargill

Director and CEO of the National Insurance Board, Mr. Cargill holds an MBA from the University of Miami. Mr. Cargill has both local and international experience and held positions in commercial banking and petroleum prior to entering the insurance industry and being recruited to head NIB.

Terence Gape

Senior Partner and head of the Freeport Chambers of Dupuch & Turnquest, Mr. Gape is a member of the Judicial and Legal Services Commission of the Bahamas. Mr. Gape is a past President of the Rotary Club of Lucaya and has served as Co-Chairman of the One Bahamas Celebrations since 1999.

Patricia Hermanns

President and CEO of Family Guardian Insurance Company and President of its parent company FamGuard Ltd., Ms. Hermanns holds an MBA from the University of Miami. Before joining the insurance industry she gained broad experience in the local and offshore banking sectors. She serves on the board of the Governor General's Youth Award.

Dr. Pandora Johnson

Dr. Pandora Johnson is the Vice President for Outreach at The College of The Bahamas. A seasoned educator, she studied Politics and International Relations at the undergraduate level and Educational Administration at the graduate level.

Hartis Pinder

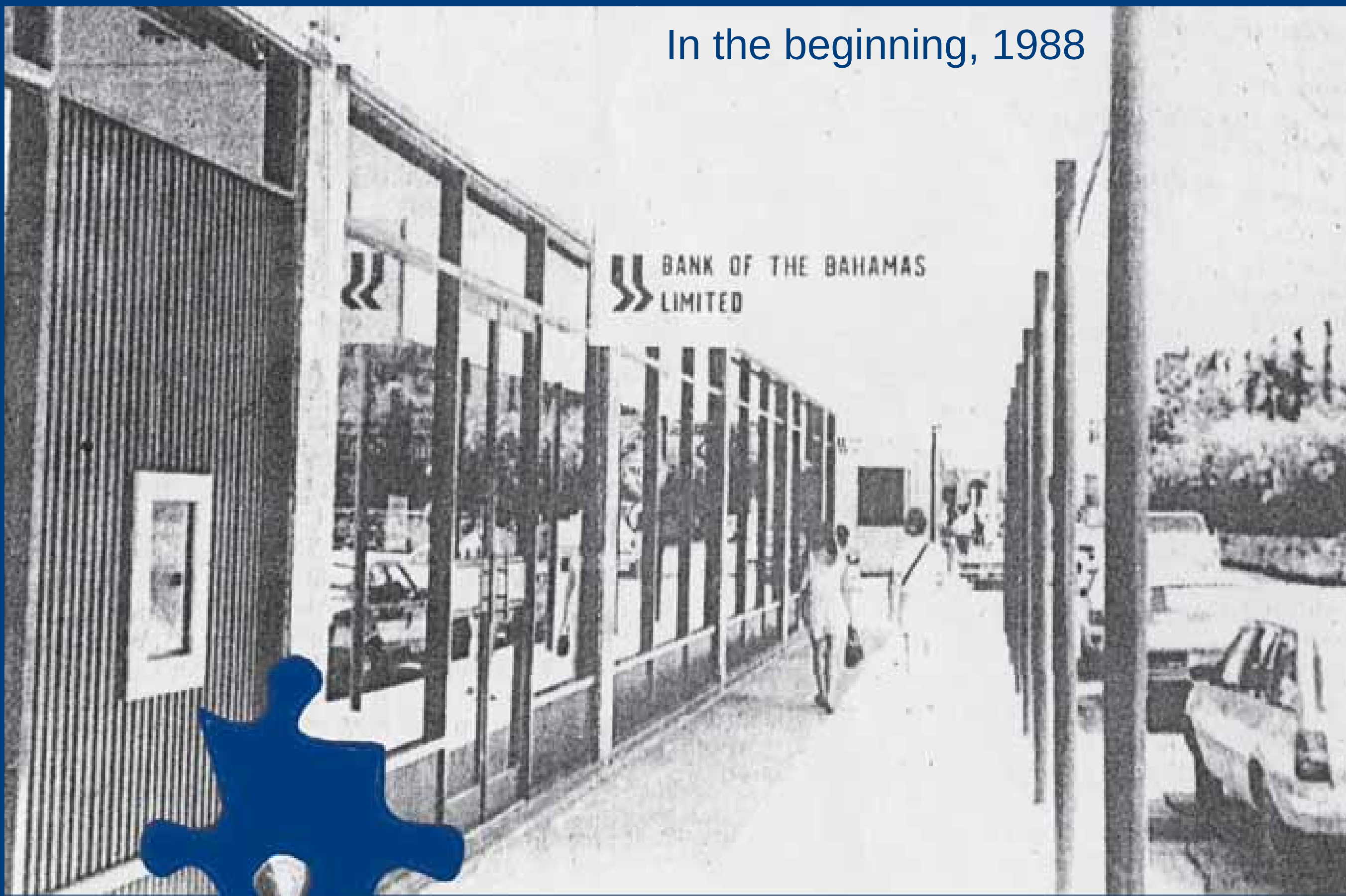
Mr. Pinder was admitted to the Bahamian Bar in 1972, and currently serves as a partner at McKinney, Bancroft and Hughes. He is a former Chairman of the Real Property Tax Appeals Tribunal for The Bahamas, Mr. Pinder has also served as a lecturer in the law of Real Property for the Bahamas Bar Association.

Khaalis Rolle

Chief Marketing Officer of Bahamas Ferries, Mr. Rolle is the Immediate Past President of the Bahamas Chamber of Commerce, Caribbean Region President of the OAS Inter-American Private Sector Organization, Chairman of the Bahamas National Training Program Implementation Committee, Co-Chair Bahamas Trade Commission and a Director of the Nassau Tourism Development Board. Mr. Rolle holds a B. Sc. From Grambling State University and an MBA from the University of Miami.

Anton Sealey

Mr. Sealey is a senior account executive at Insurance Management (Bahamas) Limited. He serves as Deputy Chairman of the Bahamas Development Bank, President of the Bahamas Football Association, Vice President of the Bahamas Olympic Association and Chairman of the Confederation of North Central American and Caribbean Football, Beach Soccer Committee and is a committee member of the Fédération Internationale de Football Association (FIFA).



In the beginning, 1988

Coming in 2012 Carmichael Road branch

Our success has really been based on partnerships from the very beginning.
—Bill Gates

When BOB was named Best Bank in the Country by Euromoney this year for the fourth time, it signaled another first for the young bank. In October, the Bank was notified that it had won the Bracken Award for Excellence for 2010 for the third time. The prestigious honour was awarded by The Banker, part of the Financial Times Group. No other financial institution in The Bahamas has ever received such international acclaim for its principles and performance.

History of Bank of The Bahamas

When Bank of The Bahamas was named Best Bank in the Country by Euromoney this year for the fourth time, it signaled another first for the young bank. No other Bahamian bank had achieved such international recognition. Managing Director Paul McWeeney hesitated to publicize the award, believing it was news to be shared with shareholders and stakeholders. The Bank, he believes, should continue to do what it has done to grow from infancy 22 years ago to where it is now, rather than basking in award recognition.

Yet the history is nothing short of newsworthy.

Since its creation through the acquisition of an established Canadian bank in 1988, Bank of The Bahamas has grown from $90 million in assets to nearly $824 million as of June 30, 2011, from three locations to 13, from serving two islands to a presence on six, from providing the most basic of retail banking services to the most comprehensive of financial products. In just over a decade, shareholder equity has mushroomed from $19 million in 2000 to $117 million by 2011.

Bank of The Bahamas Limited's record of firsts, highlighted throughout this report, includes being first to provide trust services for Bahamians, first to offer full, comprehensive online banking complete with cheque imaging, first to comply with Check 21 Procedures using electronic images to clear US dollar deposits in three days, first to offer VISA pre-paid and gift cards, first to host a major mortgage fair attracting thousands and post-fiscal year-end, but two years in the development stage, first to launch the unique Medline Visa card for medical services with negotiated rates enabling cardholders to benefit from reduced cost medical care at top facilities in The Bahamas and South Florida, first and only bank to win Euromoney's Best Bank award four times and The Banker's Bracken Award for Excellence three times—six times the country's best bank by two major international reviews.

The Beginning

The Bank was incorporated in The Commonwealth of The Bahamas on April 17, 1970 as Bank of Montreal (Bahamas & Caribbean) Limited. In 1983, its name was changed to Bank of Montreal Bahamas Limited. In September 1988, the Government of The Bahamas created a joint venture with Euro Canadian Bank Limited. By purchasing 51% of the shares, the Government not only had controlling interest, but was able to ensure that Bahamian employees were offered employment with the new bank, appropriately renamed Bank of The Bahamas Limited.

During the second half of 1990, the Government purchased all of the shares held by Euro Canadian Bank Limited and issued an additional 7,000,000 shares, bringing the total number of shares issued to 10,000,000.

In September 1994 the Government sold 20% of its shareholding or 2,000,000 shares to the Bahamian public. In October 1995 the Government offered a further 3,000,000 shares of the Bank to the Bahamian public. Both offerings were substantially oversubscribed.

Since BOB went public with an initial share offering in 1994, the Bank has paid nearly $50 million in dividends to more than 4,000 private, corporate and institutional shareholders.

The Bank continued to experience extraordinary success as it was able to announce an oversubscribed rights offering of $25 million in late 2005 and a subsequent $15 million private placement preference share offering in 2006. The Authorized Capital of the Bank is at 15,600,000 shares of B$1 par value.

By expanding its capital and continuously upgrading services and products, the Bank has steadily pioneered the way financial business is conducted in The Bahamas.

In September 2000, it launched a wholly-owned subsidiary, Bank of The Bahamas Trust Limited, becoming the first financial services center to offer Trust services for Bahamians. The Trust also provides

Left: BOB donates 10 bulletproof vests to the Royal Bahamas Police Force. Below: In 2005, BOB hosted an Incredible Dream Mortgage Fair, the first of its kind in The Bahamas. Thousands attended. The result: a doubling of the Bank's mortgage portfolio.

related fiduciary functions, including estate management for local residents and citizens as well as company incorporation.

Then, just over one year later, the Bank acquired the assets of Workers Bank Limited, increasing its branches in New Providence to four. Again, as it had at its creation, it offered employment to all who had been part of the acquired bank.

When the trading name Bank of The Bahamas International was introduced in 2002 to reflect the expanding direction of the institution, it marked one of many milestones in a history of notable changes.

In 2005, the Bank hosted an Incredible Dream Mortgage Fair, the first of its kind in the nation. The fair was a success, resulting in a doubling of the Bank's loan portfolio.

In 2006, the Bank embarked on a multimillion technology investment to overhaul the back end of data entry and storage and enable Bank of The Bahamas to provide the best possible business solutions with ongoing real time analysis.

In 2007, Bank of The Bahamas became the first Bahamian bank with a financial services centre in Florida where Bahamians who do business there every day are able to do so with greater efficiency and ease. That same year, closer to home, BOB acquired the mortgage portfolio of Citibank as it shed its domestic book of business.

In 2007 and again in 2008, it was the first—and remained the only—publicly-held Bahamian company to produce an annual report on CD.

In 2009, a $20 million preference share offering further increased capital to support expansion.

From 2008 to 2011, BOB grew its Private Banking and Trust services division, assisting clients with personalized banking to free up their most valuable asset, time. Through VIP services, the Bank's Private Banking professionals handled personal financial solutions ranging from bill payment to estate, trust, retirement, asset or insurance protection. Assets under Private Banking management quadrupled in less than three years.

Over the past three years, during challenging economic times, the Bank focused on prudent management, internal controls and invested heavily in "back office" technology as well as staff development to maximize use of time.

In 2005, Tennis star Mark Knowles represented BOB's acquisition of the prestigious American Express Platinum card.

From the start, BOB was about more than banking. It was—and is—about community. About the power of partnership and making a difference in the community.

BOB sponsorship committee makes donation of books to Columbus Primary School Library

The result: automatic data updating, making thousands of hours once spent on necessary but mundane inputting of information available for customer relations and business development.

In 2011, work was nearly completed on the new Carmichael Road branch which is due to open in early 2012. Property infrastructure plans have been approved for the new headquarters on West Bay Street, a five and a half acre site across from Nassau harbour west of the British Colonial Hilton.

One year after BOB was at the forefront of a change that created the Bahamas Automated Clearing House (BACH), eliminating the need to ferry paper cheques between banks and The Central Bank and replacing the system with quick electronic transaction processing, BACH is proving itself invaluable. The manual physical handling of paper cheques seems to be a relic of the distant past.

And in 2011, the Sponsorship Review Committee continued to refine the Bank's community assistance program by looking at it as a partnership with initiatives that grow communities and help ensure healthy development. Bank sponsorships included the Ride for Hope to raise funds for the fight against cancer, Tour of The Bahamas, the local version of the Tour de France, three Royal Bahamas Police Force Summer Youth Camps, Love That Child, original music produced to raise funds for the Ranfurly Home and Children's Emergency Hostel, purchased uniforms for the Royal Bahamas Police Force Combined Youth Band and nearly 50 other law enforcement, education and youth development programs or campaigns, including providing continuing support for the Downtown Nassau Partnership.

From the start, Bank of The Bahamas was about more than banking. It was—and is—about community. About the power of partnership and making a difference in the community.

From out of the box thinking to over the top training, from searching for opportunities to acquisition of expertise, the Bank has taken its unlikely beginnings into new fields of exploration and along the way lived up to its original belief—that what really sets one financial institution apart from another is people. How people on staff feel. How they treat customers. How customers feel. Banking. It's not about money. It's all about people.

As it has been since the beginning.

BOB. Bank of Solutions.

In 2011, BOB sponsored six major Junkanoo groups, playing a role in the country's most famous cultural event. BOB's community outreach extends from helping to stock school libraries to creating a safe, cashless environment at the International Cultural Festival, from supporting Royal Bahamas Police Force Summer Youth Camps to the National Insurance Board's Get Fit Bahamas program.

Highlights

Even in a year dominated by continuing economic challenges, Bank of The Bahamas achieved numerous highlights from strong financial performance and increased share value to community outreach that we believe touched more lives than ever before. As the year progressed, a feeling of cautious optimism began to take shape.

FINANCIAL HIGHLIGHTS

- **45,000 deposit accounts**
- **4,000+ shareholders**
- **$824 million total assets**
- **$669 million in loans and advances to customers and banks**
- **More than $60 million in assets under management by Private Banking & Trust**
- **4.9% growth, home mortgages**
- **$649 million total deposits**
- **$0.23 earnings per share**
- **40% increase in share price to close at $6.93**
- **$5.02 million net income**
- **$3.69 million paid in dividends, bringing total dividends to local shareholders since the bank went public in 1994 to more than $48 million**

INSTITUTIONAL HIGHLIGHTS

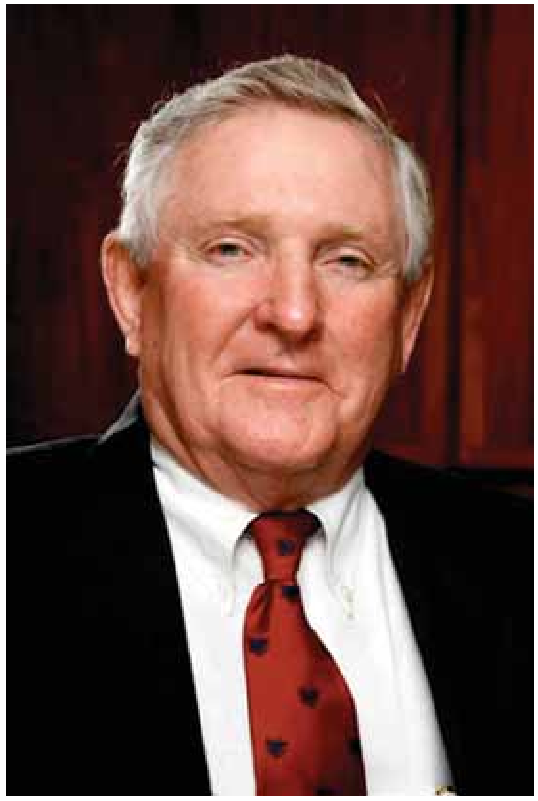
- Recipient of **Euromoney Award for Excellence** as Best Bank in the Country for the fourth time. Award presented to BOB Managing Director during ceremony in London with many of the world's most prestigious financial organisations represented. In 2010, BOB received the **Bracken Award for Country's Best Bank, presented by The Banker,** a division of the Financial Times Group.
- Increased involvement among staff for community outreach, including presentation of **Shared Success Awards** for volunteer work
- Introduction of **Private Banking Silver VISA Corporate Credit Card** with rewards/ benefits
- BOB unveiled its **re-branding** with a new look and new feel, lighter, brighter and more organic
- **Shareholder value re-affirmed** through multiple levels of action:
  - Share buy-back authorised to avert peaks and valleys in price as a result of non-BOB-related market issues
  - Capital reserves boosted to more than $120 million, twice the ratio required by The Central Bank
- Launch of **suite of customer-oriented campaigns** tied to specific returns or seasonal events: B$ investments with high interest rates, Christmas Club Accounts, Christmas Cash Back program, Junior Savings, with minimum of $10 to open an account
- Launch of **Preferred Client Medline VISA pre-approval** $10,000
- Customer Appreciation Day in all branches
- Introduction of Saturday banking at two branches in New Providence
- Expansion of client base served by BOB Financial Services, Coral Gables, Florida

COMMUNITY OUTREACH HIGHLIGHTS

- Major sponsorship in Bahamas Institute of Financial Services International hosting of 19th Conference of World Banking Institutes
- Participation by a team of 16 in 100-mile Ride for Hope, Eleuthera, to help raise $400,000 for cancer education, prevention, research and treatment
- Sponsorship of three Royal Bahamas Police Force Summer Youth Camps
- Assistance with purchase of uniforms for RBPF Youth Band
- Provision of grand prize and other prizes for essay contest to help raise funds for St. Francis & Joseph Primary School for the rebuilding of the Early Childhood Centre following two fires in 2009
- Sponsorship of events and fund-raisers in education, sports, youth development and law enforcement throughout the islands of The Bahamas including Andros, Eleuthera, Exuma, Cat Island, San Salvador and Inagua assisting in a range of events and activities from helping to stock libraries to ensuring that graduation ceremonies could be held
- Support for the Cat Island Sailing Club, hosts of the Cat Island Regatta; sponsorship of the Cat Island Rake 'n Scrape Festival
- Production of Love That Child, original music written and recorded with proceeds of sales to benefit The Ranfurly Home and the Children's Emergency Hostel
- Helped re-stock Columbus Primary School Library with new books
- Key sponsorship of Tour of The Bahamas, attracting some 100 racing cyclists from several countries and many from The Bahamas to a weekend of racing with race starts at Clifton Heritage Park
- Support for neighbourhood reading fairs organised by Rotary and Kiwanis clubs
- Continuing support for the Primary School Student of the Year Program
- Continuing support for the Downtown Nassau Partnership
- Financial support for Yes We Can, a line of laundry products created by the visually challenged in an effort to be self-supporting and demonstrate that lack of eyesight does not translate into lack of vision.

It is explained that all relationships require a little give and take. This is untrue. Any partnership demands that we give and give and give and at the last, as we flop into our graves exhausted, we are told that we didn't give enough.

—Quentin Crisp
English writer



Letter to Shareholders

I am pleased to report that despite the continuing uncertainty and gloom in world financial circles, the Bank is weathering the storm relatively well. This year's profit of $5.02 million, while lower than last year by some $2.6 million, is largely a result of prudent increases in credit reserves, and in today's challenging times achieving any profit at all should be considered a success.

On behalf of the Board I wish to thank our management team and staff throughout The Bahamas and in Florida for their efforts throughout the year. They have remained focused on innovation, quality service and customer relations and the Board is most appreciative of their dedication to duty.

While The Bahamas' economy continues to feel the effects of the worldwide recession we continue to look for opportunities to improve profitability, enhance products and service and boost share value. We are optimistic that our efforts will be successful. We do so while remaining committed to sound and conservative corporate governance practices and strict adherence to Central Bank guidelines and regulations.

In closing, I must thank my fellow Board members past and present for their efforts, support, good counsel and commitment. I believe that Board policies, staff dedication and prudent management will continue to earn your trust, help grow business in The Bahamas, make life better for customers and invite the ongoing international recognition the Bank has been receiving and is proud to receive.

Macgregor Robertson,
Chairman of the Board

Executive Statement

Fiscal 2011 presented continued economic challenges and BOB met those challenges head on, using the year to recharge, renew our identity, re-address a service culture and deepen partnerships with customers, business associates, shareholders and the community at large. We were rewarded for the strategy. Despite extraordinary loan loss provisions, total revenue stood at $70.1 million and net income landed at $5.02 million. Earnings per share settled at $0.23. Shareholder value was enhanced with share price jumping nearly 40% from the previous fiscal year to end the year at $6.93. I am especially proud that in such challenging times, BOB performed well enough to share the rewards with individual, corporate and institutional shareholders, paying $3.9 million in dividends during the fiscal year to bring to nearly $50 million paid since the Bank first issued shares in late 1994. Total assets grew to more than $824 million. We had not merely survived another year of challenges, we had learned from the experience, and in the process, we had grown market share.

Yet we know that numbers tell only part of the story. While they reflect current performance, they do not provide guidance for the way forward. To prepare for what lay ahead, we examined every aspect of our offering from how we looked to the prospective client driving by a branch to how every transaction with a current customer was handled. Knowing that for banks, like for any other business, it is often the little things that create the big picture, we looked at our products and how they served the Bahamian public from earliest childhood to retirement, from education to business development, from institutional needs to national development. And we began with a visible difference: our corporate branding.

Nearly a decade had passed since our last appearance upgrade when the black and white Bank of The Bahamas logo morphed into the dark blue, yellow and black of the Bank of The Bahamas International branding with coin and globe representing the "B." Clearly, it was time for another facelift. We lightened and brightened colours, shortened Bank of The Bahamas to BOB and added the tag line that best defines what we stand for: Bank of Solutions. The new look stands out in print ads, brochures, billboards on our new headquarters construction site, airport signage and other locations.

We looked at the banking sector as a whole and how BOB fit into it, then targeted two areas where BOB serves underserved markets, the young person who, if satisfied, will become a loyal customer for life and the client who had achieved success and deserved a respectable interest rate for long term investment. Targeting those markets led to increased business with the B$ investment vehicle earning an interest rate that drew business sufficient to exceed annual budget projections within months of its introduction. Response was immediate. Despite—or because of—a contracting economy, there was a substantial amount of liquidity searching for a safe investment.

We launched a suite of other consumer-based customer products, including a VISA corporate credit card, and pre-approved VISA Medline credit card. We fostered loans and savings programs keyed to milestones or seasons. We remained the exclusive provider of American Express Platinum cards. Everything we did, we did with the dual themes of teamwork and partnership as our guide. In-house, our new employee handbooks and Shared Success Award for staff members who volunteered their time reflected those goals. It was not unusual to find a BOB staff member reading to a group of children in a park on a Saturday or helping out with a book drive. Those staffers deserved to be recognized.

Nowhere was our dedication to partnership more evident than in BOB's singular connection to small and mid-size Bahamian businesses, the growth arm of the economy. I am very proud to report that some 40% of all BOB lending is to

BOB was proud to host the major social event of the 19th Conference of World Banking Institutes, providing a networking opportunity and sharing with delegates the meaning of true Bahamian hospitality. While it was intended as professional goodwill in conjunction with the Bahamas Institute of Financial Services, the outcome was surprisingly broader: several delegates said as a result of the social experience they would make The Bahamas their next family vacation destination and throughout the evening of food and music at Balmoral Club, there was buzz about The Bahamas suitability for a second home.

business, a fact that is directly responsible for significant job creation. More immediately in the past 12-15 months, BOB engaged in alpha testing on its other main project—in-house credit card processing. The Bank brought credit card processing in-house not only to eliminate its own costly processing fees but to begin to service other institutions, including insurance companies.

In the coming year, we anticipate upgrades to our electronic delivery of services with an improved website, social media presence and e-commerce capabilities. We have begun installation of BOB Express, one of the fastest ATMs available equipped with image-capturing software and the first in The Bahamas with multi-lingual capabilities. Such innovation is necessary not just to meet customer expectations but to attract young professionals who expect to work in an e-driven environment.

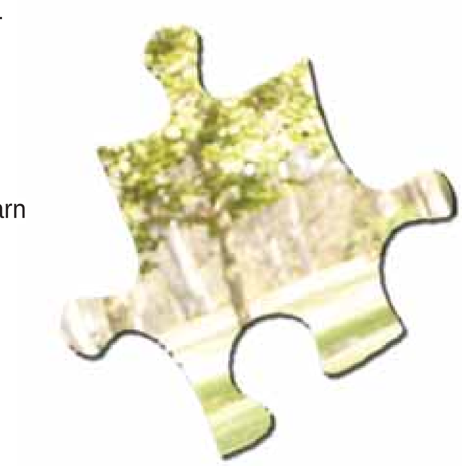
We are extremely proud, too, that for the fourth time BOB was named by Euromoney as the Country's Best Bank. Receiving the award I was reminded, once again, of how privileged we are, a small bank with tall principles, standing among the giants of the financial services world. And for the third time, BOB was named the Best Bank in The Bahamas by The Banker, a division of the Financial Times Group.

While we are extremely appreciative and proud of those awards and the international esteem with which BOB is held, it is the future of which we must all be mindful. As we look forward, we continue our dual commitment: to ensure confidence among shareholders, clients and colleagues while maintaining the optimal balance of capital reserves and business risk. We achieved the first to a reasonable extent and the second with extremely satisfactory results. BOB's capital reserves stand at $117 million, substantially greater than the standard required by The Central Bank. Through development of strategic partnerships, we were able to grow our deposit base. It was an intelligence-driven approach that led to overall competitive advantage. We recognized that while banks as a whole are held to higher standards, there is still too much acceptance of what one analyst called “middle of the road service with over the top prices.” We wanted to be different, to set ourselves apart with over the top service and middle of the road pricing. Someone in the communications sector described it as *sustainagility*, but it works for banking as well. Still, we have to remember how far we have come and how fast. It was only a little more than a century ago that bankers were those people who lent merchants enough money to buy supplies and pay back in 60 to 90 days. Today, everyone expects a loan for a home, a car, an education, a business. If you asked the person on the street to describe banking like chess pieces on a board, chances are they would say conservatively dressed, slow-moving pieces, when in fact banking is a growth business moving at galloping speeds. That is the difference between the public view and the inside view of banking. We hope the two will converge soon, but even now we are proud that our customers feel an intangible attachment to BOB.

It is, at the end of the day, not the amount of money a bank earns but what it does with its money that matters. We know BOB backs Bahamian business. We know BOB pays attractive interest rates on B$ fixed deposits and allows children who can reach a teller’s wicket to take pride in an account with $10 in it. But where the real difference lies is how BOB touches lives. Our 2010 annual report, *Making A Difference*, was dedicated to telling the story of the Bank through commitment to community. I quote directly from the report:

> Around the globe, challenges united those with a purpose and made those with a heart unsung heroes. For the little girl sitting down with a sewing machine to sew a school uniform or the boy who will continue to have a home in a safe haven, Bank of The Bahamas is proud that this year, when needs were so intense, we were there to make a difference.
>
> —Excerpt from BOB 2010 Annual Report

BOB is proud to be a past and current winner of both the Euromoney and Bracken Awards, and even prouder that people in this island nation think of the Bank with warmth. Affection is a rare honour earned in a world dominated by dollars. Being the Bank of Solutions whether fielding a team to bike the 100-mile Ride for Hope to raise funds for the fight against cancer or supporting a graduation ceremony on a remote island challenged for resources, it is about touching lives, about service, about remembering that no matter how big or small we are, all that matters to the person in front of you is how you treat him or her in that transaction and all that matters to the community in which we operate is the honour with which we do business. We thank you for honouring us as a shareholder and pledge to continue to earn your trust as we move forward together, partners in life.



Paul J.I. McWeeney
Managing Director

With Heartfelt Congratulations to Hugh G. Sands, CMG and with Appreciation to all BOB Chairmen

When former Bank of The Bahamas Chairman Hugh Sands was named the Lifetime Achievement Award winner by the Bahamas Financial Services Board this year, it was a reminder of how fortunate we have been at Bank of The Bahamas.

Every chairman has brought insight, wisdom and vision to the Bank and we would like to take this opportunity to thank each and every one for his dedicated service. We continue to note the loss of the late John Kenning, the second chairman, and to offer the remaining chairmen our appreciation.

In his last message from the Chairman, Mr. Sands wrote:

> At the time of the 2004 Annual General Meeting of Shareholders, I will have completed eight years as Chairman of the Board of Directors of your Company.
>
> I will not be standing for re-election as a Director.

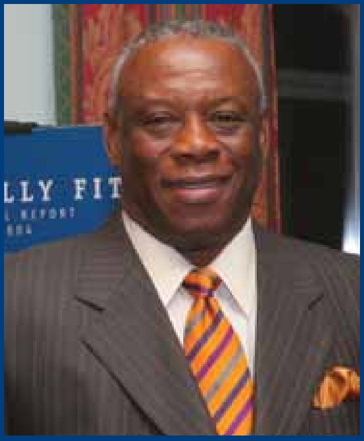
Ironically, his words were premature and it was another year before Mr. Sands was actually permitted the luxury of leaving one of the many posts he had been called on to lead throughout his life. When he vacated the chairmanship in 2005, he left a Bank that was a far more sophisticated and diversified institution than the one he had entered eight years before.

As he had in Education where he began and at Barclays where he learned banking and rose to the highest position ever held by a Bahamian in banking at the time. Mr. Sands left an indelible footprint at BOB with his humble style and homespun stories of days gone by. Although at times he seemed folksy, underneath lay an insatiably curious man of great intellect, attention to detail and possessing a clear and immediate grasp of new concepts and the way forward. A good listener, an engaging leader, great mentor and an irreplaceable friend, Mr. Sands is a deserving recipient of this highest of financial services sector honours.

We thank all who have helped lead BOB in the capacity as Chairman.

John Kenning, OBE
1990-1996

Hugh Sands, CMG
1997-2005



Alfred Jarrett, CMG
2005-May 2007

T. Maitland Cates
June 2007 - January 2008
(Served as a Director for 15 years)

Macgregor Robertson
January 2008 - Present

Being prepared for the worst and hoping it never happens is what business continuity is all about, and since 2009, BOB has been at the forefront of continuity in Bahamian retail banking. Call it insurance for databases, allowing recovery of stored information and uninterrupted operations.

In the world of finance and commerce, generating excitement about business continuity is challenging. It is, as one expert said, a little like getting a new tire, not glamorous but where would you be without it? Have you ever tried to drive a car on three tires while one is at the shop?

Business Continuity

When Hurricane Irene blew through The Bahamas in late summer 2011, howling winds bore a harsh reminder of how fragile our connection is to the infrastructure we take for granted. While New Providence hardly suffered, other islands were less fortunate. In Cat Island, where BOB operates the only full-service bank serving its population of 2000 or so, stricken residents now measure time in Before Irene and After Irene. Power lines, fixed line telephone service and internet connections were severed as cleanly as if they had been sliced with a knife. Roads were flooded. Trees pummeled roofs, leveling homes and leaving many homeless. Nearly three days passed before BOB head office learned that everyone on the island was safe, including BOB staff members. While there was concern about safety following the storm, there was never a worry about the security of funds, records or other private information. Every kilobyte of data was saved and protected, thanks to BOB's secure off-site back-up plan. The complex set of protective systems and devices meant once power came back up and doors opened, business continued as usual with no loss of information and even during the height of disrupted services, customers who had access to the internet through wireless devices could continue to conduct banking business with BOB.

Being prepared for the worst and hoping it never happens is what business continuity is all about and since 2009, BOB has been at the forefront of continuity in Bahamian retail banking. Call it insurance for databases, allowing recovery of stored information and operation without interruption regardless of external pressures or natural disasters.

BOB Marketing Manager Michael Basden loads boxes of goods during the Bank's Cat Island Code R.E.D. The relief effort—in partnership with Phil's Food Services, Stanford Trucking/Dirty Paws Hauling and Diane Phillips & Associates—garnered cash and two large containers for food, water, baby and medical supplies.

Preparing for uninterrupted business continuity, BOB engaged the services of one of the world's leading business continuity program development companies, Continuity Planning Associates (CPA). In addition to identifying project scope and a thorough business impact analysis, the team along with its consultants, CPA, had to develop a structure, set of plans and rules of governance. Five months after it initiated the project, training and testing was conducted with an audit of the results. Among the exercises: instant alerts to key personnel covering a wide range of emergencies and crisis events. Each test was successful. Had a hurricane severely impacted business at a BOB facility in the Bahamas or US, the project team and consultants were satisfied that at BOB, business would have continued as usual. Mission critical would have been mission successful.

In the world of finance and commerce, generating excitement about business continuity is challenging. It is, as one expert said, a little like getting a new tire, not glamorous but where would you be without it? Have you ever tried to drive a car on three tires while one is at the shop?

That lack of glamour often leaves business continuity planning at the losing end of competition for attention. Announcement of new interest rates, construction of new buildings makes headlines and generates excitement. But when danger strikes, business as usual can take on new meaning, becoming the greatest source of comfort. BOB is committed to continuing monitoring, testing, auditing and ensuring that the life cycle of business continues uninterrupted in the face of the unexpected, even if it is one of the least glamorous moves we make. With proper business continuity planning, no payment system will be halted. Funds on deposit will be accounted for and accessible. Transactions will continue as normal and in times of emergency, that may be all the headline anyone needs to be able to sleep well at night.

Key operations enabled by BOB with Continuity Planning Associates, consultants, to ensure uninterrupted operations in the face of unexpected events or natural disasters include:

- Immediate access to vital documents including contact lists, recovery instructions, press releases, recovery plans and more.
- Team orientated instant messaging channels enable vital (audited) communications between authorised users (staff/suppliers/customers).
- Email and SMS text messaging provide additional communications capabilities.
- Company defined incident escalation paths. With automated SMS notification to required personnel.
- Task allocation and monitoring facility. With built in task library.
- Real time information sharing.
- An automated traffic light styled plan monitoring system to ensure individual business unit plans are kept up to date and current.
- Comprehensive event auditing and reporting for post-incident analysis and de-briefing.
- Online electronic battle box for storing documents, maps, procedures, software, and more.
- Internet links provide access to vital support web sites.
- Press room function enables storage and distribution.

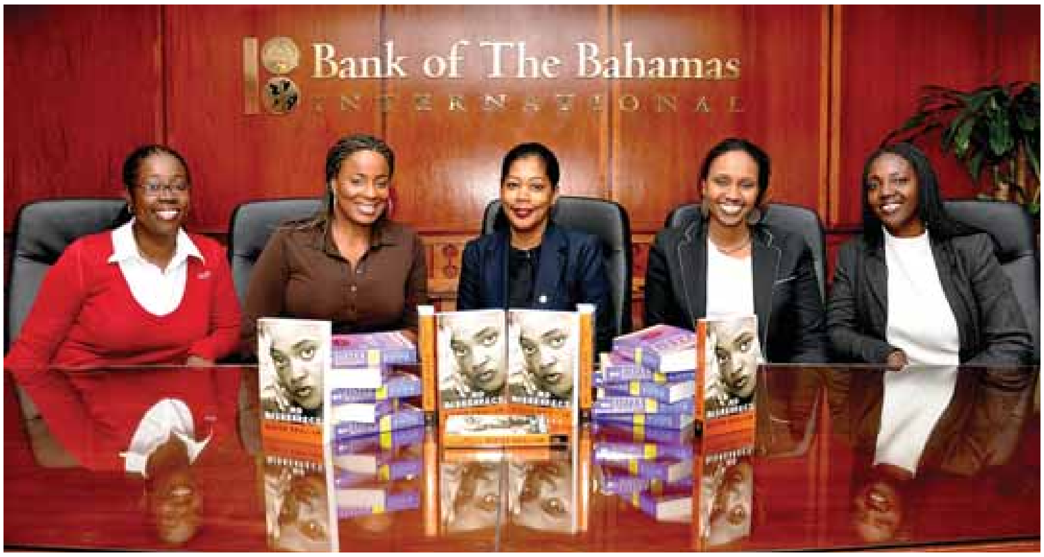
Managing Director Paul McWeeney explains the background of the ACH at the start of the training session on changes as a result of the Bahamas Automated Clearing House. The Bank helped prepare local businesses for quicker, broader electronic payroll options.

PARTNERSHIP WITH BUSINESS FOR CHANGE

BOB lends expertise as well as financial support to business. With the implementation of the Bahamas Automated Clearing House (BACH), BOB executives and business customers underwent training together to understand adjustments for payroll systems. Representatives from a variety of companies attended intensive ACH workshops at the Bank's training facility on Village Road in Nassau to learn more about the new structure's impact on their bottom line. By linking all clearing banks, BACH facilitates electronic payroll with direct immediate credit from employer to employees wherever they bank within the system.

In other cases, Bank executives conduct one-on-one meetings providing tips for maximizing credit card sales and work with business customers to improve marketing and benefit from overlooked opportunities. When 'you're in it together,' that's partnership.

Below: Executive members of the Surrogate Aunt Program accept books for the residents of the Williemae Pratt Centre. Bottom: BOB sponsored Rotary Club Reading Fair.



Community

On a Saturday in a park in Pinewood Gardens, children filter in slowly for the reading fair, quiet and shy at first. But as the crowd grows and the smell of hamburgers cooking on the grill fills the air and the sight of balloons brightens the sky, the pace picks up. Reading begins. It's the stories, the tales, that excite. Over the next few hours, during various readings, including by staff of BOB, through words on a printed page children are transported to worlds far away. As one little girl said, "I never thought about the stars and whether they slept during the day. Tonight, I'm going to look at the big sky and hope every single star has a happy dream in the morning and tomorrow I'm asking Mummy for a new book." A child eager for a new book. It was the kind of unexpected reward that reinforced why staff of BOB do not settle for cheque presentations but almost every weekend find themselves working with communities.

Whether it is a reading fair such as the one in Pinewood organised by the Kiwanis Club or another coordinated by Rotary or a Bahamas Outstanding Students Foundation awards ceremony, re-stocking the Columbus Primary School Library or

helping a high school in Andros fund its graduation ceremony, BOB is committed to positive partnering for powerful impact on the youth of the nation.

The Bank's community outreach is extensive, focusing primarily on youth development, law enforcement, education, disaster relief, health initiatives and sports that team the value of teamwork and discipline. It's a broad spectrum with specific goals—to build a stronger nation, communities and citizens.

It is the involvement of Bank staff that we believe sets us apart. When BOB became one of the leading sponsors in Tour of The

The Bank of Solutions has partnered with the Ministry of Education every year since the launch of the program offering positive reinforcement for positive performance.

Presentation to Terisha Paul, CH Reeves Junior High School, Top Academic Award

Bahamas, the Managing Director was among the competitors, and a full slew of staff members provided everything from tee-shirts to comfort for other riders. When BOB expanded its sponsorship of Ride for Hope to help raise money for cancer research, prevention, education and care, the Bank fielded a team of 16 for the 100-mile bike ride in Eleuthera. Bank messenger and former Employee of the Year Jeffrey Burnside made the full 100-mile trek, covering hilly terrain and emerging with a smile and doing the Bank proud. The Managing Director's performance was admirable, some 72 miles. But what was most impressive was the outpouring of support from staff members following the Ride. They reached into their own pockets to contribute more than $2,000, raising the Bank's donation to over $12,000. When the Bank hosted a networking event for the Bahamas Institute of Financial Services Conference of World Banking Institutes, Bank representatives dressed in Bahamian-made Androsian fashions, male and female alike showing their national style.

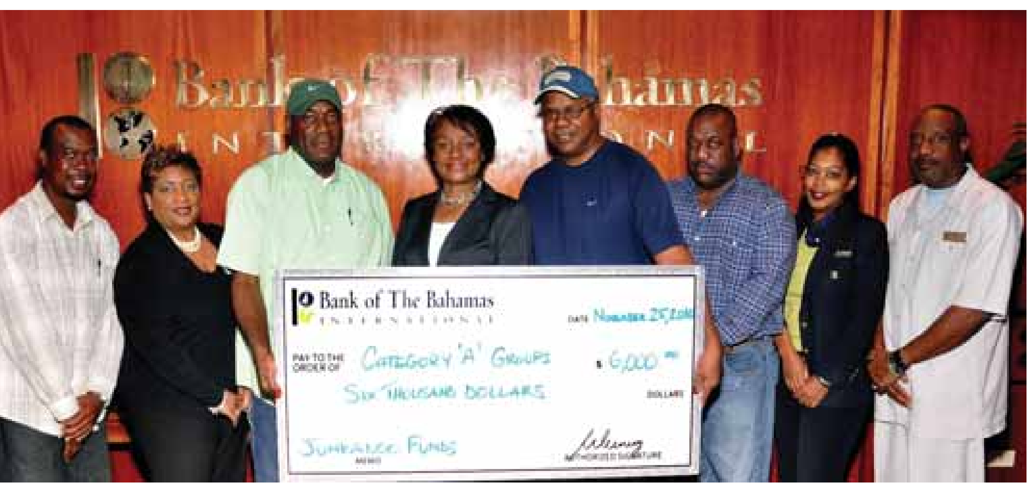
And with BOB branches throughout The Bahamas, the Bank's outreach is nationwide. From support for the Primary School Student of the Year program to three

BOB supports the Downtown Nassau Partnership, a public-private sector organisation working with the Royal Bahamas Police Force to create a clean, safe environment in historic Nassau.

Royal Bahamas Police Force Summer Youth Camp programs, from the Cat Island Regatta and Cat Island Rake 'n Scrape Festival to assistance for school programs in Andros, Exuma, Cat Island, San Salvador and Inagua, BOB demonstrated once again even in challenging time, a Bank can be the heart you turn to when a community needs a little boost.

In Nassau, Grand Bahama and throughout the islands, BOB staff volunteer in their local communities. In Andros, they helped re-stock a school library and attended a graduation ceremony, presenting awards and gift cards. In Cat Island, staff wasted no time, swinging into

The Bank's Junior Savings campaign emphasized the importance of starting good habits early while teaching children the value of saving.



Above: As BOB donates $6,000 to the A-class Junkanoo groups, leaders share stories of sponsorship funds going far beyond the scope of the parade to affect communities.

Below: The late, multi-talented Jackson Burnside was among the judges of the annual Independence celebration window decorating contest in downtown Nassau organised by the Bahamas Ministry of Tourism and the Downtown Nassau Partnership, supported in part by BOB.

action following the hurricane, serving as a collection and distribution centre for desperately-needed bedding, food and supplies. In Exuma, staff members participated in a Police Youth Marching Band as they have for several years.

In Nassau, hardly a week passes when staff members are not involved in one activity or another in their community from reading fairs to school sports events, from the Ride for Hope to raise funds for the fight against cancer to the ride for fun and a healthy life competition against international competitors, Tour of The Bahamas.

In 2011, BOB wanted to honour those who volunteer their time and the Bank did so with the Shared Success Awards. The first awards were presented in Nassau by Beverley Farquharson, centre, Deputy Managing Director, to some of the volunteers who went above and beyond the call of duty to give of their time and energy in a partnership with community.

TOUR OF THE BAHAMAS

Pro cyclists round a bend during a 76-mile road race, part of Tour of The Bahamas, sponsored by Holowekso Partners, Bank of The Bahamas and the Ministry of Tourism. More than 100 athletes from The Bahamas and various parts of the U.S. participated in the weekend-long competition staged in the western part of New Providence. Cyclists competed at speeds of more than 40 mph during final sprints. Staged in January when much of North America is blanketed by snow, the event was also an opportunity to showcase The Bahamas.

Top: Participants in the 8th annual Tour of The Bahamas.


Private Banking. A relationship
you can trust, a service you can rely on.

Dianne Bingham, Senior Manager, Private Banking & Trust

Private Banking, Wealth Management, Trust Services

With continuous growth, personal client attention and vigilant asset management, BOB Private Banking & Trust is the leading institution in the provision of trust services for Bahamians. The first to introduce a wide range of trust products for the local market, the Bank has established itself as the entity of expertise for Bahamian citizens and residents in asset and wealth management, testamentary trusts, estate planning and administration as well as other corporate services including company incorporation and administration.

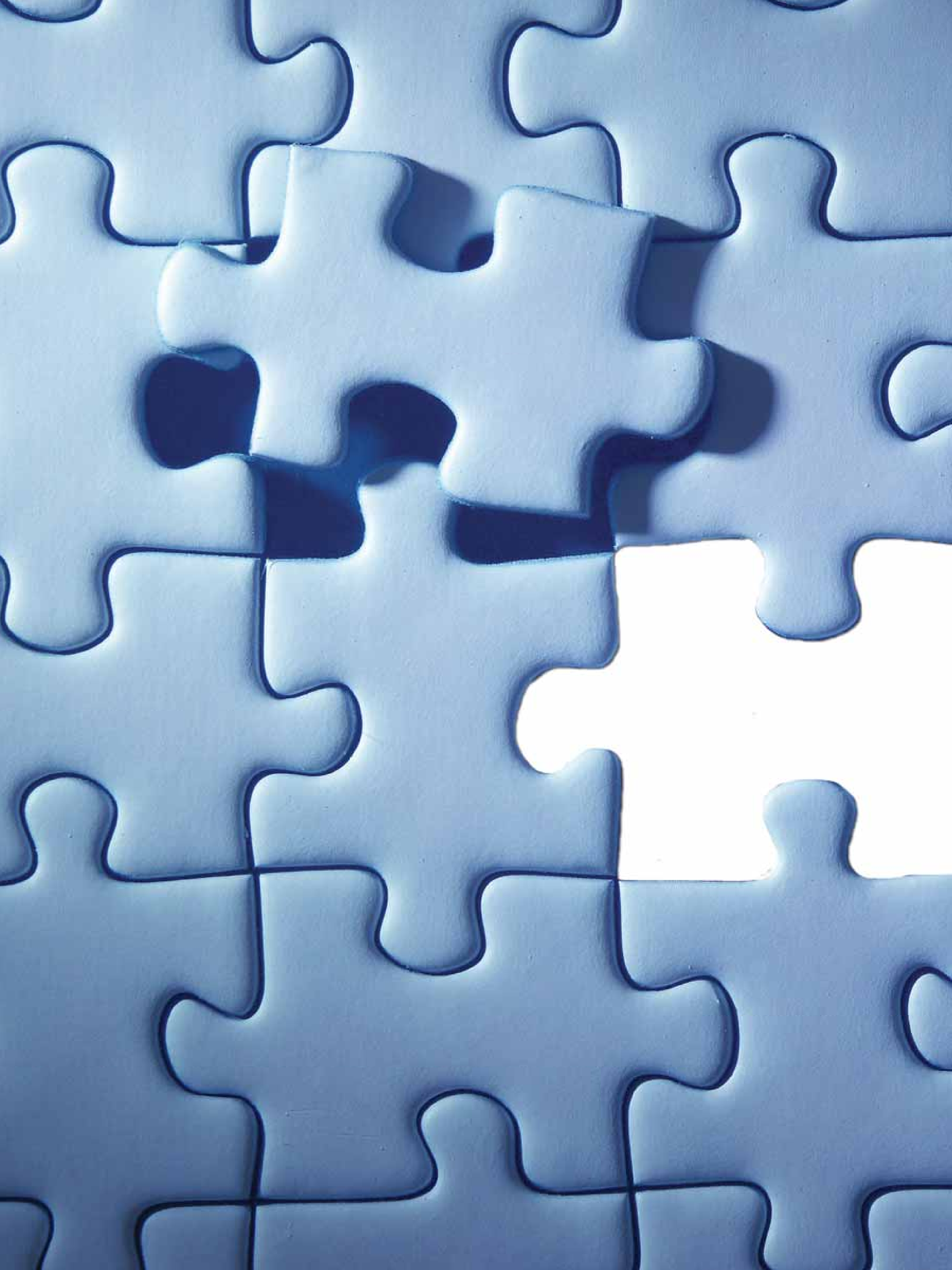
Over the past decade since BOB introduced the concept of trust services for Bahamians in B$, the Private Banking & Trust division of the Bank has grown in strength and in product options. While providing the kind of personal banking that frees up your time remains a top priority, we are proud to offer a suite of products including higher-than-market average yield certificates of deposit, savings and chequing accounts, credit facilities, including lines of credit in other currency for business clients, and a host of financial planning tools. We view it as our mission to help you realize your vision of financial success. One of the critical components, we believe, that sets us apart is our interest in catering not only to clients who enjoy high earnings but to those who have the potential to do so. BOB's integrated solutions enhance our ability to tailor an array of products and services to suit your individual needs.

We give you our pledge that we will protect and preserve your assets with the highest level of expertise and professionalism and we will do so while upholding our commitment to confidentiality, excellence and integrity, the cornerstones of our relationship with clients like you.

With a Private Banking membership, clients are entitled to:

- Convenience Banking—Your time, your place
- VIP Treatment and Concierge Services
- Access to Enhanced Financial Solutions, Including Silver Visa
- Foreign Currency Transaction Expediency
- Confidential & Exclusive Banking
- Valuable Time Savings
- Bill Payment
- Trust Services

In 2000, BOB became the first to offer trust services to Bahamians in $B dollar currency. By the close of fiscal 2011, BOB Private Banking Trust had $64 million in trust in addition to its private banking assets management portfolio, thanks to personal service by specialists like Tonya Farrah.



Corporate Governance Principles

Bank of The Bahamas Limited

THE FOLLOWING PRINCIPLES WERE ADOPTED BY THE BOARD OF DIRECTORS ("THE BOARD") OF BANK OF THE BAHAMAS LIMITED ("THE BANK") AND PROVIDE THE FRAMEWORK FOR CORPORATE GOVERNANCE OF THE BANK.

ROLE OF BOARD OF DIRECTORS

The Board is accountable to its shareholders and therefore, ultimately responsible for the conduct of the Bank's affairs and operations. In light of this mandate, the Board is responsible for identifying risk and ensuring that it is adequately monitored and managed. And whilst the management of the day-to-day operations are delegated to the Bank's executives, the Board reviews policies and procedures and monitors to ensure that operations are carried out in compliance with applicable laws and regulations and are consistent with sound banking practices.

The Board's overall conduct is guided by its Corporate Governance Handbook which details the duties and potential liabilities of Directors and Officers of the Bank. Further, in order to evaluate the performance of Directors and the Board as a whole, the Board also participates in an assessment process which is directed and analyzed by the Bank's external auditors.

BOARD COMPOSITION, STRUCTURE AND POLICIES

Board Membership

The Board is currently comprised of 10 non-executive Directors and one Executive Director, the Managing Director, who is responsible for the general supervision of the business, affairs and concerns of the day-to-day operations of the Bank.

Director Conflict of Interest

The Bank has adopted a strict policy as it relates to conflict of interest issues and members of the Board as well as management and staff are expected to adhere to these policies. A Director who has a direct or indirect interest in a matter before the Board, is expected to disclose this information and should abstain from voting or participating directly or indirectly in the deliberations requiring approval.

Compensation of Directors

The total remuneration of the Board is approved at the Bank's AGM and may be divided among members as they see fit. Each non-executive Director, with the exception of the Chairman and Deputy Chairman, is paid a fee of $8,000 per annum for his/her services and additional compensation of $1,000 for attendance at quarterly Board or Extraordinary board meetings. The Executive Director receives no remuneration for services performed in his capacity as Director.

Director Education

Each Director is expected to be knowledgeable about concepts discussed and to ensure that decisions made by the Board are reasonable. Toward this end, the Bank provides ongoing education opportunities for its Directors through seminars, trade publications and regulatory updates.

Independence of Directors

The Board is aware of the Bank's unique position as it relates to the National Insurance Board and The Government as its major shareholders. However, the Board is comprised of a substantial majority of Directors who meet The Central Bank of The Bahamas' criteria for independence.

From July 1, 2010 to June 30, 2011			
Name	July 27, 2010	October 1, 2010	November 12, 2010
Macgregor Robertson, OBE	✓	✓	✓
Ruth Millar, CMG	✓	✓	✓
Robert Sands	✓	x	✓
Patrick Ward	x	✓	x
Marvin Bethell	x	✓	✓
Wesley J. Bastian	x	✓	✓
Pandora Johnson	✓	x	✓
Patricia Hermanns	✓	✓	✓
Hartis Pinder	✓	✓	✓
Ruth Bowe-Darville	x	✓	✓
Paul J.I. McWeeney	✓	✓	✓

From July 1, 2010 to June 30, 2011			
Name	February 23, 2011	April 15, 2011	June 24, 2011
Macgregor Robertson, OBE	x	✓	✓
Craig Gomez	✓	✓	✓
Wesley J. Bastian	x	✓	✓
Pandora Johnson	✓	✓	✓
Patricia Hermanns	✓	✓	✓
Hartis Pinder	x	✓	✓
Algernon Cargill	✓	✓	✓
Khaalis Rolle	✓	✓	✓
Terence Gape	✓	✓	✓
Anton Sealey	x	✓	✓
Paul J.I. McWeeney	✓	✓	✓

✓ = Present ✗ = Apologies

BOARD MEETINGS

Frequency of Meetings

Board meeting dates are scheduled and communicated with Directors at least one year in advance. In fiscal year 2011, four regular Board meetings and two extraordinary Board meetings were held. Generally, the Board Committees of The Bank meet on a quarterly basis.

Summary of Board Committee Meetings Held for the Year Ended June 30, 2011

- Audit, Controls, & Procedures Board Committee 7
- Credit Risk Board Committee 4
- Operations, Marketing & Business Development, Private Banking and International Operations Committee 4
- Finance & Capital Development Board Committee 4
- Information & Technology Board Committee 4
- Human Resources Board Committee 4
- Risk Management Board Committee 4

Attendance at Meetings

Regular attendance at all Board meetings, together with committee meetings and the AGM, is expected of all Directors. Following is a record of attendance during the 2011 fiscal year (at left).

Preparation for Meetings

The Chairman along with the Managing Director prepares the agenda for each meeting. In addition, the Executive Committee and Strategic Management provide reports on key issues to their respective Board Committees relative to the various units of the Bank. Directors may also request that certain items be added to the Agenda for discussion at the Board level.

Board materials are distributed 3 - 7 days in advance of a meeting to give Directors an opportunity to review reports and, where possible, to obtain additional information from management or pose any questions or concerns they may have prior to the meetings.

Board Certification

Each year the Board is required to issue a Corporate Governance Statement to The Central Bank of The Bahamas confirming that it is familiar with the contents of the Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business Within and from Within The Bahamas, and is adhering to the guidelines as outlined. As part of this exercise, each division of the Bank developed 'In-Control' statements. Essentially, these documents capture the specific minimum reporting requirements for each division and its internal control systems, which ensure that each area is 'In Control'. These reports are generated quarterly and presented at each Board meeting for review and ratification.

The Bank is currently undergoing an exercise whereby it is strengthening its ICS process in conjunction with the further development of the Bank's risk management framework and enterprise risk management processes, with a view of making it more robust and risk sensitive while building in (formally incorporating) clearly defined accountabilities.

On September 15, 2011, the Board submitted its Annual Certification to The Central Bank of The Bahamas confirming its compliance with the Corporate Governance Guidelines.

September 15, 2011

The Inspector of Banks and Trust Companies
The Central Bank of The Bahamas
Nassau, The Bahamas

Dear Sirs,

RE: BANK OF THE BAHAMAS LIMITED –
BOARD OF DIRECTORS' ANNUAL CERTIFICATION
TO THE CENTRAL BANK OF THE BAHAMAS - DECEMBER 31, 2010

a. The Board of Directors (the Board) of Bank of The Bahamas Limited (the Bank) is familiar with the contents of the *Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business Within The Bahamas* (the Guidelines), issued by the Central Bank of The Bahamas on December 13, 2001 (amended March 24, 2011), and acknowledges its role and responsibilities under the Guidelines;

b. The Independent Non-Executive Director of the Board (INED) as listed below, for the period December 31, 2010 met the independence requirements as outlined in Section VII of the above guidelines.

   Mr. Macgregor Robertson, Chairman
   Mr. Marvin V. Bethell
   Ms. Patricia Hermanns
   Mr. Patrick Ward
   Mr. Robert D. L. Sands
   Mrs. Ruth Bowe-Darville
   Mrs. Ruth Millar
   Mr. Wesley Bastian
   Mr. Hartis Pinder
   Dr. Pandora Johnson

However, on February 18, 2011 at the Bank's Annual General Meeting, Board membership of the Bank changed significantly and the following persons now serve as Non-Executive Directors of the Board:

   Mr. Macgregor Robertson
   Mr. Craig T. Gomez
   Mr. Khaalis Rolle
   Mr. Terence Gape
   Mr. Anton Sealey
   Mrs. Patricia Hermanns
   Mr. Algernon Cargill
   Mr. Hartis Pinder
   Dr. Pandora Johnson
   Mr. Wesley J. Bastian

The Board is aware of the Bank's unique position as it relates to the National Insurance Board and The Government as its major shareholders. However, the Board is comprised of a substantial majority of Directors who meet The Central Bank of The Bahamas' criteria for independence.

c. While the Bank recognizes the importance of strengthening its systems and procedures to ensure a stronger corporate governance environment on an ongoing basis, the Board believes that the systems and procedures that are currently in place are adequate and, accordingly, is satisfied that the Board of Directors is performing its functions and fulfilling its responsibilities under those Guidelines;

d. The Board has carefully considered the reporting of Senior Management and other information provided in determining whether the Bank is following the Guidelines;

e. The Board will seek to implement the necessary policies and procedures in compliance with the Guidelines;

f. The Board is of the opinion that the Bank is fully compliant with the principles of the Guidelines.

    i. While we acknowledge that significant progress has been made, we do recognize that continued attention and progress are required in the following areas in order to further enhance the control environment of the Bank and improve the enterprise risk management process:

        - Formalization and full implementation of all new Bank processes.
        - Training efforts to ensure that staff are proficient in their knowledge of the Bank's risks, products and operating standards.
        - Address and monitor post implementation challenges with core banking systems.
        - Monitoring of credit portfolio to ensure that the quality of the Bank's assets remains strong during this period of economic uncertainty.

    ii. Executive and Senior Management have been assigned to address the areas with deficiencies and we are confident that these areas will continue to be addressed with determination. An action plan to correct those deficiencies has been prepared and is being implemented; and

    iii. A copy of the action plan will be submitted to the Inspector;

g. During the period, the Bank engaged a team of Consultants to develop a comprehensive *Business Continuity Plan* (BCP). The Board will seek to ensure that the recovery strategies adopted in the Bank's BCP are valid, and that the Bank's BCP management team properly test the BCP moving forward;

h. The Board is performing its functions and fulfilling its obligations under the *Guidelines for the Minimum Standards for the Outsourcing of Material Functions* and has noted no deficiencies with respect of these Guidelines;

i. The Board has taken account of its obligations to comply with the *Guidelines for Licensees on the Prevention of Money Laundering and Countering the Financing of Terrorism*. Any deficiencies in respect of these Guidelines will be noted and an action plan to remedy the deficiencies will be prepared and submitted to the Inspector, indicating whether the necessary remedial action has been taken;

j. An internal audit has been completed and the issues identified have been implemented or corrected;

k. An action plan to remedy the deficiencies stated in the Bank's Report of Examination has been prepared and submitted to the Inspector and the agreed remedial actions are being addressed;

l. The Board is satisfied that the Bank has appropriate policies, procedures, processes and controls in place to ensure that inherent business risks, where they exist, are effectively managed; and

m. The Board has reviewed its large exposure policy statement and considers it appropriate to the Bank's operating circumstances.

Based on the corrective actions being taken by Management and the formal representations made by the respective Executive and Senior Management, we are satisfied that the Bank is 'In-Control' with no material reservations.

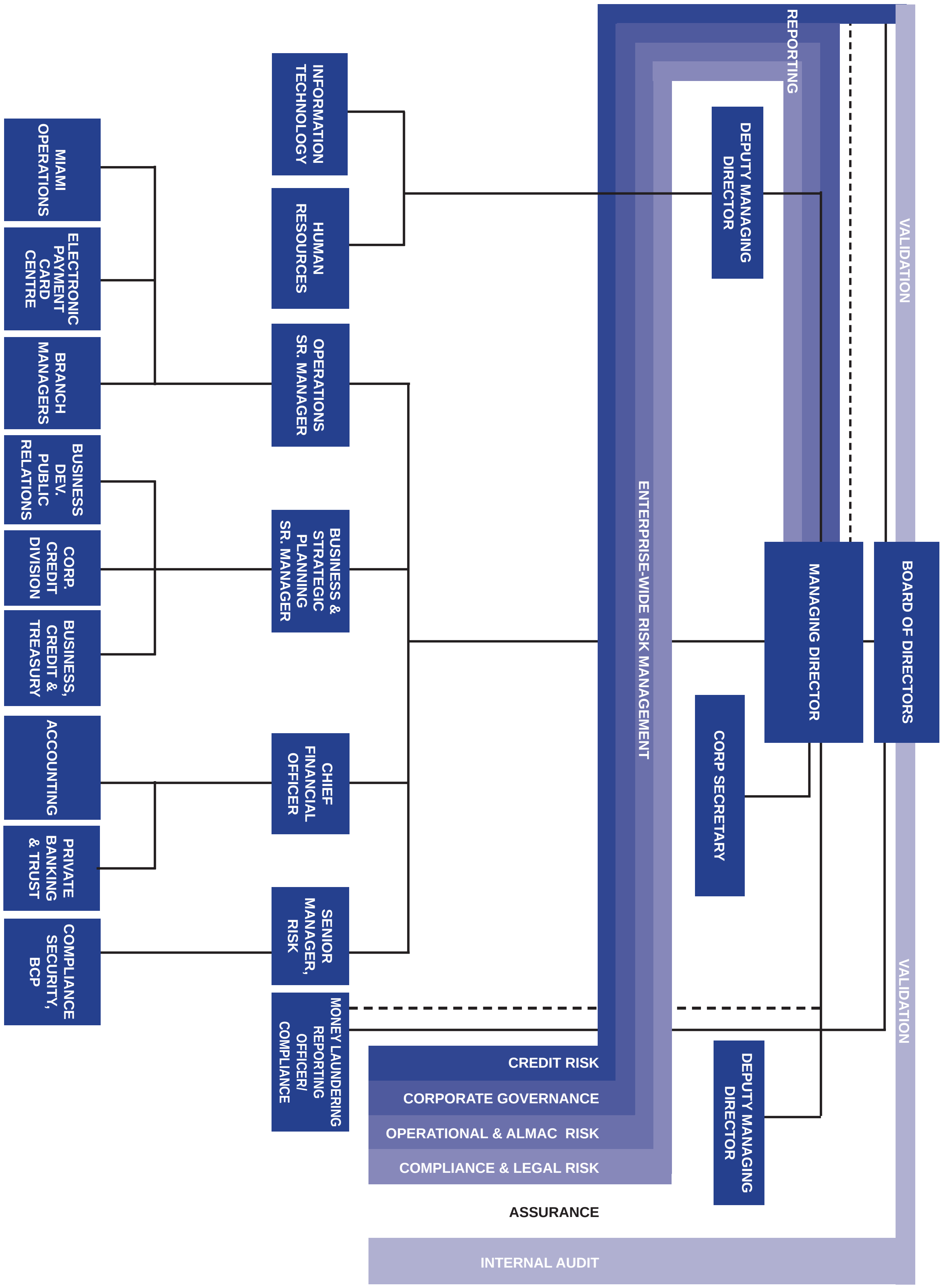
Yours faithfully

On behalf of Bank of The Bahamas Limited Board of Directors:

Paul J.I. McWeeney, Managing Director

Macgregor Robertson, Chairman

Organization Chart




Paul J.I. McWeeney


Beverley Farquharson


Vaughn Delaney

Executive Committee

EXECUTIVE MANAGEMENT

Paul J.I. McWeeney
Managing Director

Beverley Farquharson
Deputy Managing Director

Vaughn Delaney
Deputy Managing Director

SENIOR MANAGERS

Dario Lundy-Mortimer
Chief Financial Officer

Hubert Edwards
Senior Manager, Business & Strategic Planning

Renee Davis
Senior Manager, Operations

Philice Albury
Senior Manager, Risk

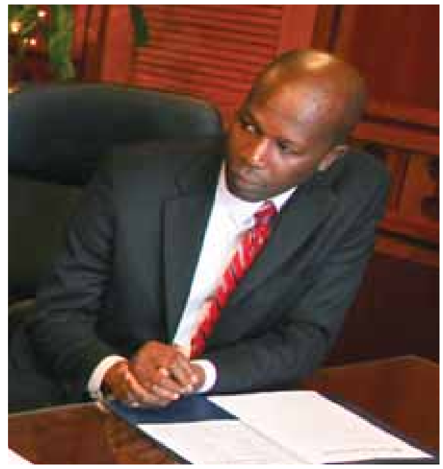
Darryl Bartlett*
Senior Manager, Credit Risk

Vanessa Taylor*
Chief Internal Auditor

Laura A. Williams
Manager, Corporate Affairs & Company Secretary

***Executive Committee Participation by Invitation**


Dario Lundy-Mortimer,
Chief Financial Officer


Hubert Edwards, Senior Manager,
Business & Strategic Planning


Renee Davis, Senior Manager,
Operations


Philice Albury,
Senior Manager, Risk


Darryl Bartlett,
Senior Manager, Credit Risk


Vanessa Taylor,
Chief Internal Auditor


Laura A. Williams,
Manager, Corporate
Affairs & Company Secretary

FINANCIAL HIGHLIGHTS

	2011	2010	2009	2008	2007
Interest Income	$ 63.25	$ 55.99	$ 51.05	$ 52.60	$ 42.92
Net Interest Income	$ 36.04	$ 31.41	$ 27.70	$ 29.40	$ 25.13
Non Interest Income	$ 6.74	$ 7.05	$ 8.01	$ 6.15	$ 7.59
Operating Expenses	$ 28.11	$ 26.40	$ 26.60	$ 26.50	$ 21.28
Net Income	$ 5.02	$ 7.66	$ 5.80	$ 6.10	$ 10.48
Earnings per Share (EPS)	$ 0.23	$ 0.32	$ 0.28	$ 0.32	$ 0.61
Total Assets	$ 823.81	$ 777.31	$ 758.30	$ 734.41	$ 658.30
Loans and Advances to Customers	$ 669.16	$ 629.21	$ 555.61	$ 522.11	$ 486.92
Total Liabilities	$ 706.45	$ 660.88	$ 644.35	$ 640.51	$ 565.48
Shareholders Equity	$ 117.37	$ 116.43	$ 113.95	$ 94.00	$ 92.77
Risk Adjusted Capital Ratio	23.19	24.07	27.70	21.49	21.16
Efficiency Ratio	65.72	68.64	74.49	74.54	64.48

$ Amounts are stated in Millions. The EPS in $, Capital and Efficiency Ratios are %

Management Discussion

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR FINANCIAL YEAR END JUNE 30, 2011.

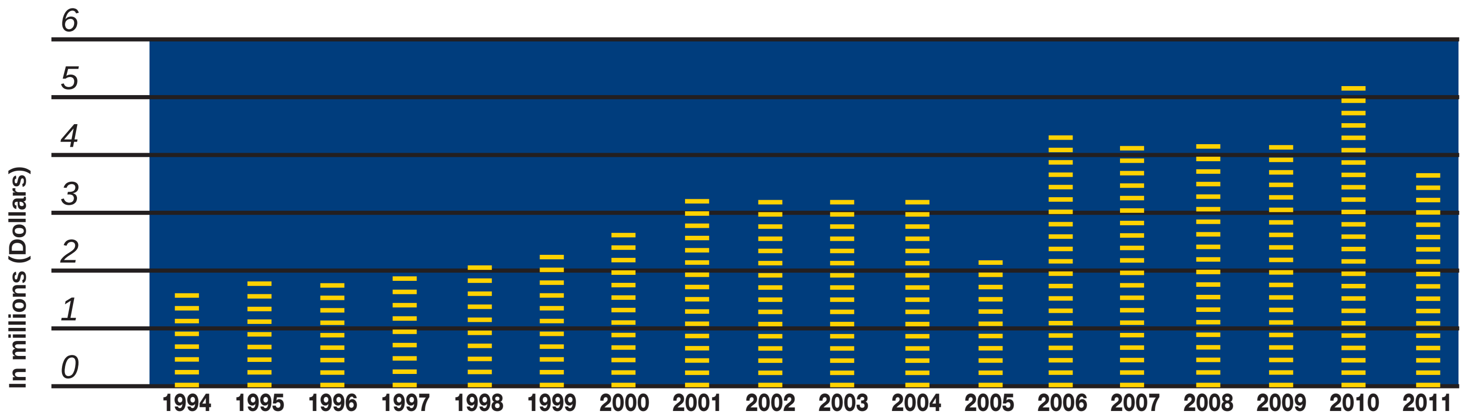
The Bank continued to deliver strong and steady performance as at the end of June 30, 2011. The Bahamian economy is faced with ongoing pressures while there are signs of a fragile global economic recovery. Despite this, the Bank has been able to effectively harness its resources to produce positive results.

Overall signs of economic recovery in The Bahamas have been encouraging, however, a full recovery is not expected for at least another twelve months. Positive signs include tourism, which shows some modest upturn, and construction activity through major foreign direct investment. However, overall employment exerted negative pressures as the unemployment rate remained in double digits for the period under review. The high unemployment and overall slow-down in economic growth were the key factors for the increase in non-accrual loans which has in turn significantly impacted loan loss provisions.

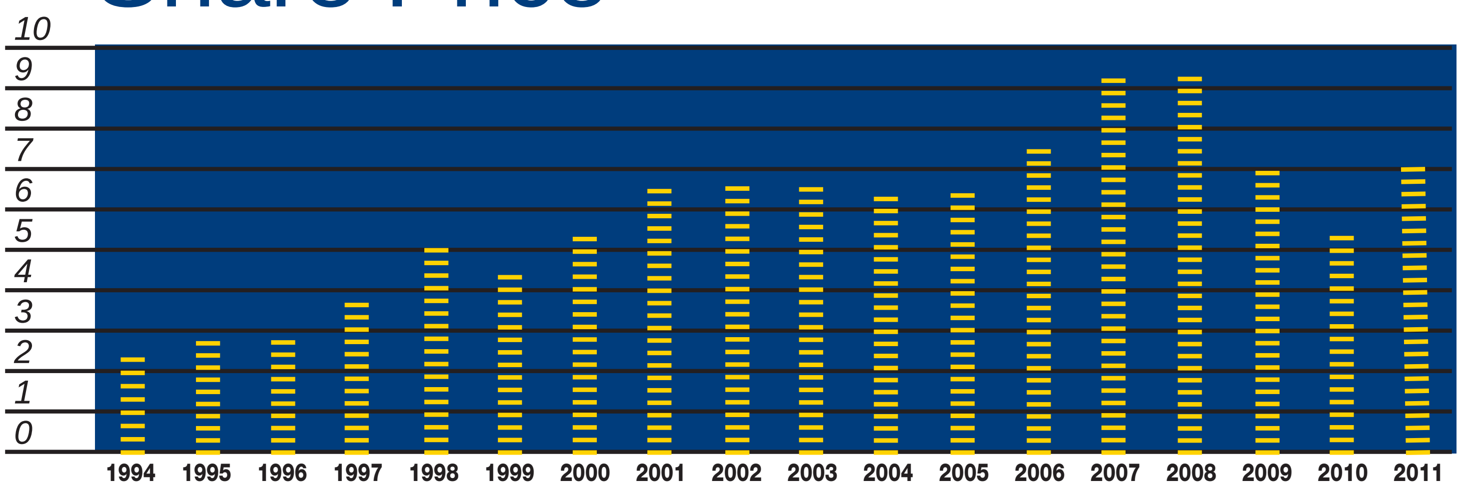
With the challenges faced in the present operating environment, inclusive of rising loan delinquencies and slower economic growth, the Bank has made adjustments to its business model to reflect the realities of the present marketplace. Over the past few years the Bank has prioritized several key strategic imperatives which continued to be focused on in the current year. The Bank is pleased to report on the progress in achieving these strategic imperatives which include maintaining adequate capital, remaining profitable, expanding business through electronic banking and ultimately growing market share.

The pressures resulting from the current economic environment weighed heavily on the Bank's strategic approach to managing its operations during the current year. Therefore, in the face of deteriorating economic conditions the Bank's primary focus remains the maintenance of sound prudential standards. The systemic weakness in the credit market played a major role in the Bank's overall net position during the year, with provisions increasing approximately 149.66% over prior year despite a one time credit in FY2010 of $4 million resulting from the change in accounting policy for general provisions. Management continues to apply a conservative approach to lending and estimating allowances for loan losses.

Dividends



Share Price



Ensuring that our collection activities are robust is also critical to sustaining profitability going forward.

Maintaining adequate capital and conservative loan loss reserves are key to the Bank's soundness and providing the highest degree of comfort in these highly vulnerable times. The Bank has maintained a strong capital base. The Bank's Tier 1 capital ratio which is considered the primary measure of the balance sheet's strength stood at 14.04 percent at June 30, 2011 versus 14.58 percent in the prior year. The Bank's risk adjusted capital ratio at the end of the fiscal year was 23.19 percent versus 24.07 percent, well above Central Bank's regulatory requirements.

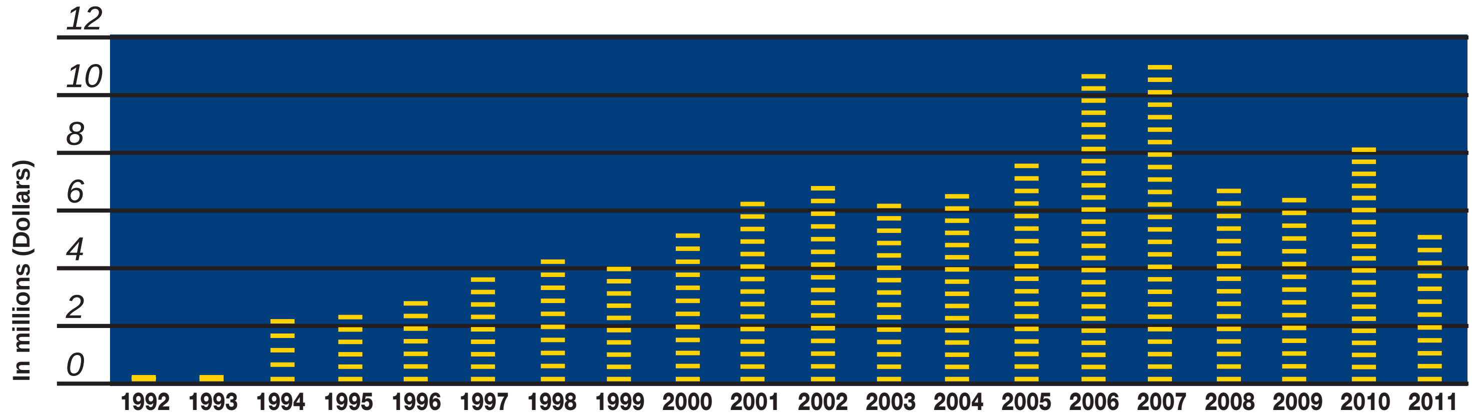
Despite the current economic environment, the Bank was able to report net income of \$5.02 million versus \$7.66 million in the prior year, a 34.46 percent decline year over year. The continued profitability of the Bank enabled payment of dividends totalling \$3.69 million during the current fiscal year and \$5.22 million in the prior year to our preference and ordinary shareholders.

The conservative approach the Bank has taken is considered both prudent and good corporate governance. The Bank is cognizant of the need to effectively manage credit risk, maintain or reduce recurring administrative expenses, and remain innovative in our product offerings, with a view of growing our revenue stream, and has instituted the processes and controls to do so.

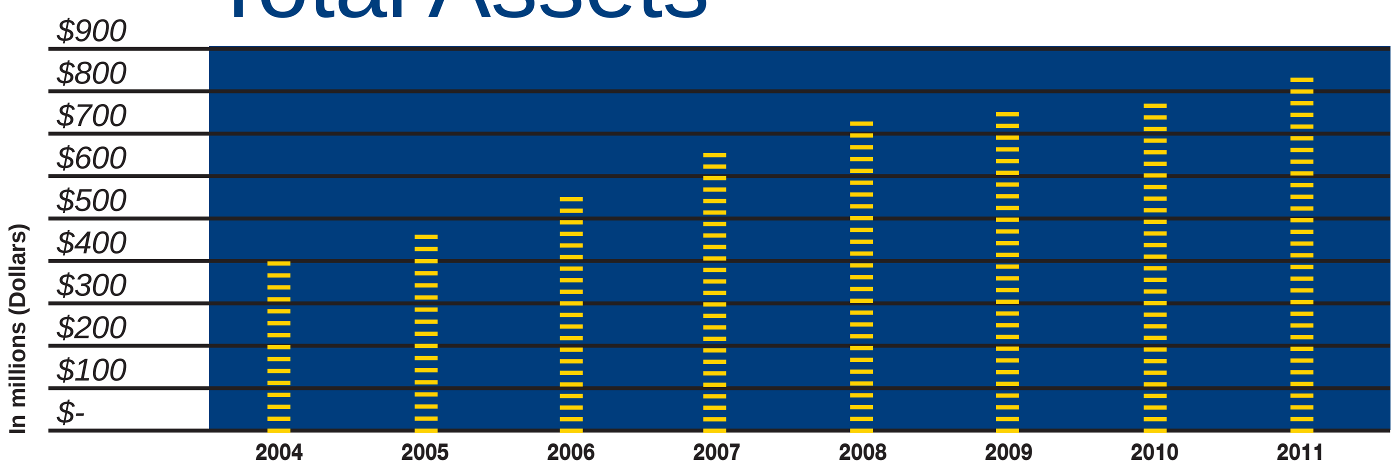
Interest and Similar Income

The Bank was pleased with the growth in interest income. Improved margins along with a modest expansion in the underlying loan portfolio yielded an increase in interest income of 12.95 percent ending at \$63.25 million as at June 2011 versus \$55.99 million in the prior year. The loan portfolio grew by 6.34% or \$39.95 million and reflected a very conservative approach to expanding credit risk during the uncertain economic period. While growth was curtailed the Bank was able to increase interest yields as the average yield for the Bank was 9.03

Net Income



Total Assets



percent versus 8.50 percent in the prior year. The higher yields reflected better pricing discipline.

Interest and Similar Expense

Interest and similar expense trended upwards, with amounts reported increasing by 10.69 percent over the previous year. The growth in interest expense is consistent with the rate of deposit growth which increased by 7.70 percent or approximately $46.47 million during the period. For the period ended June 2011 the cost of funds was high and reflected the competitive environment. The Bank continues to seek the best combination of funds to ensure a balanced funding mechanism while securing growth in returns for our shareholders and maintenance of prudential requirements. Towards the end of the fiscal year Nassau Prime dropped by 75 basis points which is expected to have a positive impact on the cost of funds in the upcoming year.

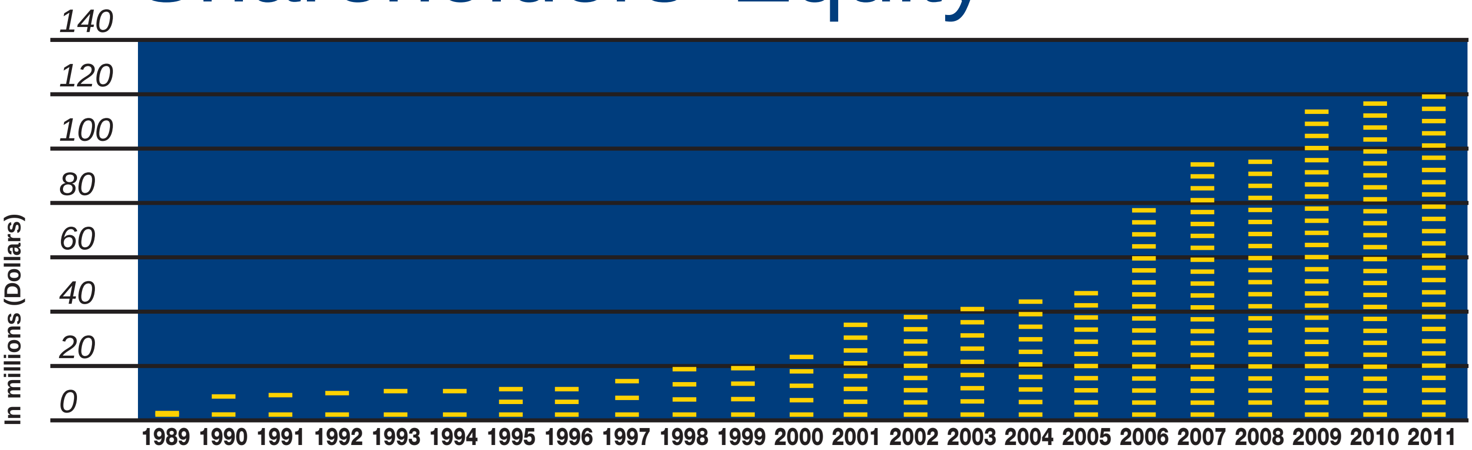
Net Interest Income

Net interest income represents the amount by which income on interest earning assets exceeds interest expense incurred on interest bearing deposits and other liabilities. The combination of growth in interest income and a slight increase in interest expense resulted in net interest income totaling $36.03 million or 14.72 percent higher than prior year.

Net Provision for Loan Losses

The Bank has taken a balanced and responsible approach to credit and risk management. The challenges faced in the current economic environment have resulted in increased net provisions for loan losses. Net provisions settled at $9.13 million or 149.66 percent higher than the prior year. The prior year amounts also include an adjustment for the change in accounting policy for provisions. If the adjustment was excluded, provisions would have been $7.5 million in the previous year. As noted,

Shareholders' Equity



previously increased delinquencies and non-accrual loans which rose by 31 percent were major factors in the total increase in provisions year over year. Total provisions as a percentage of the net loan portfolio was 2.76 percent compared to 1.96 percent in the prior year. Loan loss provisions combined with credit related reserves in equity as a percentage of the net loan portfolio was 3.35 percent compared to 2.6 percent in the prior year.

The Bank employed a number of strategies designed to manage our loan portfolio and assist in mitigating potential losses, as has been observed in the global and local financial sector. Going forward, the Bank seeks to aggressively modify its credit risk rating and scoring models across the entire portfolio to ensure that the credit assessment profile facilitates maintaining and sustaining the growth of the overall loan portfolio. Even though, the aggregate amount of the provision for loan losses at June 30, 2011, totaled $18.42 million or a 49.44 percent increase from the $12.3 in the prior year, overall credit quality remains strong. Provisions for mortgages and commercial loans remain the primary contributors to overall growth in loan loss provisions.

Non-Interest Income

The Bank's non-interest income for the year ended June 30, 2011 was $6.74 million, a decline of approximately 4.31 percent over the previous year and reflective of the anemic economy. Lower revenues from a lower volume of transaction services and lower card fees factored in the slight decline. As the Bank moves forward, more emphasis will be placed on key revenue streams from non-interest income with a view of further rationalising non interest revenue generating activities.

Operating Expenses

The Bank continued to manage operating expenses during the period, ending at $28.11 million, the Bank noted an increase of approximately 6.62 percent for the year. Increased employee related costs as well as additional governmental fees were key factors in the increase over the prior year. The efficiency ratio was 65.72 percent for the current year, below that of the prior year which ended at 68.64 percent. The Bank continues to make significant investments in technology and human resources to better position itself once the economy recovers. Even with the increased investment, which resulted in increased total costs, the Bank's key efficiency ratios are showing improvements which demonstrate the Bank's ability to absorb the investments as well as position the Bank favorably for capacity building in the future.

Statement of Financial Position

The Bank's statement of financial position remains strong and we continue to focus our efforts toward prudent financial and capital management. Our risk management structure promotes sound business decisions. Investment securities consist primarily of government bonds and we have taken a careful review of all our loans and advances exposures so as to maintain a conservative stance with regards to those balances where collectability may be uncertain.

Total Assets

Total assets improved ending at $824 million despite the economic challenges of the current environment. This represents a 5.98 percent growth over the prior year's balance of $778 million. The two areas of significant asset growth were due from banks and loans and advances to customers, which grew 20.15 and 6.34 percent, respectively. The increases noted in loans and advances to customers and due from banks are offset by a decrease in investment securities of approximately $1.84 million. The ratio of total net loans to total assets has grown to 81.22 percent from 80.94 percent in the prior year.

Liquidity

The Bank's total deposits from customers grew by approximately 7.70 percent to $649 million. The Bank has the appropriate level of liquidity to support regulatory, internal and anticipated liquidity requirements. The Bank continues its initiatives to grow its deposit base.

Total Shareholders' Equity

The Bank's total capital ratio ended at 16 percent for 2011, above the requirements of The Central Bank of The Bahamas. The Bank's Tier I capital stood at 14.04 percent and continues to reflect ongoing strategies to maintain and exceed capital standards. The Bank's risk adjusted capital ratio is 23.19 percent compared to 24.07 percent. The capital of the Bank remains strong following the 2009 preference share issue and is sufficient to preserve the position of the Bank should any further dislocations occur as a result of the current economic environment.

Our Bank was built and is sustained by a tradition of financial integrity, quality and excellence. Through product innovation, diversification, enhanced customer service, a proactive outlook and competitive advantage, coupled with continual human capital development and new technology, the Bank will continue to enhance value to its existing and potential new shareholders and stakeholders.

The Management's discussion and analysis of the Bank's financial condition and results of operations is provided to enable the reader to assess the financial condition, material changes in the Bank's financial condition and result of operations including liquidity and capital resources for the fiscal year ended June 30, 2011. For a complete understanding of trends, events uncertainties and the effects of critical accounting estimates on the results of operations and financial conditions, this Management Discussion and Analysis should be read carefully together with the Bank's Consolidated Financial Statements and related notes.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of
Bank of The Bahamas Limited:

We have audited the consolidated financial statements of Bank of The Bahamas Limited (the "Bank") which comprise the consolidated statement of financial condition as of June 30, 2011, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as of June 30, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

September 30, 2011

Ernst & Young

A member firm of Ernst & Young Global Limited

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2011
(Expressed in Bahamian dollars)

	NOTE	2011	2010
ASSETS			
Cash and account with The Central Bank	5	$ 46,009,883	$ 46,073,254
Due from banks	5	40,638,307	33,820,445
Investment securities	6	48,868,456	50,714,140
Loans and advances to customers, net	7	669,164,555	629,212,269
Investment property	8	3,882,873	3,882,873
Other assets	9	4,320,511	4,478,847
Property and equipment, net	10	6,884,863	5,203,674
Intangible assets, net	11	4,045,361	3,927,147
TOTAL		**$ 823,814,809**	**$ 777,312,649**
LIABILITIES			
Deposits from customers and banks	12	649,390,752	602,919,291
Other borrowed funds	13	37,000,000	37,000,000
Other liabilities	14	14,667,369	16,397,217
Deferred loan fees		5,387,213	4,567,074
Total liabilities		**706,445,334**	**660,883,582**
EQUITY			
Share capital	15	50,015,990	50,015,990
Share premium		28,587,866	28,587,866
Treasury shares	16	(473,822)	(30,244)
Reserves	17	4,117,767	4,057,051
Retained earnings		35,121,674	33,798,404
Total equity		**117,369,475**	**116,429,067**
TOTAL		**$ 823,814,809**	**$ 777,312,649**

These consolidated financial statements were approved by the Board of Directors on September 30, 2011 and are signed on its behalf by:

Director

Director

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2011
(Expressed in Bahamian dollars)

	NOTE	2011	2010
Interest and similar income	18	$ 63,253,869	$ 55,999,685
Interest and similar expense	18	27,217,237	24,587,509
Net interest income	18	$ 36,036,632	$ 31,412,176
Fees and commission income	19	3,960,843	3,647,091
Fees and commission expense		509,824	770,615
Net fees and commission income		3,451,019	2,876,476
Other operating income	20	2,779,814	3,397,719
Total operating income		42,267,465	37,686,371
Credit loss expense, net		(9,131,723)	(3,657,626)
Net operating income		33,135,742	34,028,745
Operating expenses	21	28,114,196	26,366,306
NET INCOME		**5,021,546**	**7,662,439**
Other comprehensive income			
Net gain on available-for-sale financial assets		60,716	34,357
Total comprehensive income for the year		**5,082,262**	**7,696,796**
Net income		5,021,546	7,662,439
Preference share dividends		(1,362,500)	(2,725,000)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS		**$ 3,659,046**	**$ 4,937,439**
Earnings per share			
Basic earnings per ordinary share	27	$ 0.23	$ 0.32

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED JUNE 30, 2011
(Expressed in Bahamian dollars)

	Share Capital	Share Premium	Treasury Shares	Reserve	Retained Earnings	Total Equity
Balance at June 30, 2009	$ 50,015,990	$ 28,587,866	$ (30,244)	$ 22,694	$ 35,356,348	$ 113,952,654
Net income for the year	-	-	-	-	7,662,439	7,662,439
Appropriation of retained earnings	-	-	-	4,000,000	(4,000,000)	-
Other comprehensive income	-	-	-	34,357	-	34,357
Dividends on preference shares	-	-	-	-	(2,725,000)	(2,725,000)
Dividends paid to ordinary shareholders	-	-	-	-	(2,495,383)	(2,495,383)
Balance, June 30, 2010	$ 50,015,990	$ 28,587,866	$ (30,244)	$ 4,057,051	$ 33,798,404	116,429,067
Net income for the year	-	-	-	-	5,021,546	5,021,546
Acquisition of treasury shares	-	-	(443,578)	-	-	(443,578)
Other comprehensive income	-	-	-	60,716	-	60,716
Dividends on preference shares	-	-	-	-	(1,362,500)	(1,362,500)
Dividends paid to ordinary shareholders	-	-	-	-	(2,335,776)	(2,335,776)
Balance, June 30, 2011	**$ 50,015,990**	**$ 28,587,866**	**$ (473,822)**	**$ 4,117,767**	**$ 35,121,674**	**$ 117,369,475**

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011
(Expressed in Bahamian dollars)

	NOTE	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income		$ 5,021,546	$ 7,662,439
Adjustments for:			
Depreciation and amortization		1,520,591	1,716,254
Gain on disposal of fixed assets		-	(287,841)
Net provision for loan losses		9,131,723	3,657,626
Net provision for other impairments		-	144,462
		15,673,860	12,892,940
Change in operating assets and liabilities		(3,067,159)	3,454,293
Increase in loans and advances to customers, net		(49,084,009)	(77,257,558)
Increase in deposits from customers and banks		46,471,461	14,830,113
Net cash provided by/(used in) operating activities		9,994,153	(46,080,212)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment		(2,676,222)	(1,661,748)
Net acquisition of intangible assets		(643,772)	(14,090)
Purchase of investments		(1,777,100)	-
Proceeds from maturity of investment securities		3,683,500	-
Investment property additions		-	(6,821)
Net cash used in investing activities		(1,413,594)	(1,682,659)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid on common stock		(2,335,776)	(2,495,383)
Dividends on preference shares		(1,362,500)	(2,725,000)
Increase in interest payable on bonds		116	2,562
Acquisition of treasury shares		(443,578)	-
Net cash used in financing activities		(4,141,738)	(5,217,821)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**4,438,821**	**(52,980,692)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**57,895,699**	**110,876,391**
CASH AND CASH EQUIVALENTS, END OF YEAR	**5**	**$ 62,334,520**	**$ 57,895,699**
SUPPLEMENTAL INFORMATION:			
Interest received		$ 62,752,402	$ 53,490,627
Interest paid		$ 26,465,449	$ 24,017,521
Dividends paid		$ 3,698,276	$ 5,220,383

See accompanying notes.

BANK OF THE BAHAMAS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011
(Expressed in Bahamian dollars)

1. GENERAL INFORMATION

Bank of The Bahamas Limited (the "Bank"), trading as Bank of The Bahamas International, is incorporated under the laws of The Commonwealth of The Bahamas. The Bank is licensed under the provisions of the Bank and Trust Companies Regulations Act 2000. The Bank is also licensed as an authorized dealer pursuant to the Exchange Control Regulations Act. The Bank is the holder of a broker dealer license from the Securities Commission.

The Bank's shares are publicly traded and listed on The Bahamas International Securities Exchange. The Government of The Commonwealth of The Bahamas and The National Insurance Board own 51% of the issued common shares. The remaining common shares are owned by approximately 4,000 Bahamian shareholders. The Bank's head office is located at Claughton House, Shirley and Charlotte Streets. The registered office is located at Sassoon House, Shirley Street, and Victoria Avenue, Nassau, The Bahamas.

The Bank's services include the provision of commercial and retail banking and trust services, private banking and the issuance of Visa branded stored value, prepaid and credit cards. The Bank has twelve branches: four in New Providence, two in Grand Bahama, two in Andros, one in San Salvador, one in Exuma, one in Inagua and one in Cat Island. A subsidiary named BOB Financial Services Inc. was incorporated in Coral Gables, Florida on June 30, 2005 and commenced operations December 10, 2007. The main activities of BOB Financial Services Inc. are the provision of trade financing and other financial services.

The Bank is an agent for American Express and MoneyGram.

2. BASIS OF PREPARATION

The Bank's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment property. The preparation of 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

(a) Adoption of new and revised international financial reporting standards
The accounting policies adopted are consistent with those used in the previous financial year. The following International Accounting Standards (IAS) issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee ("IFRIC") are relevant to the Bank.

Amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Bank:

- IFRS 2 Share-based payment: Group cash-settled Share-based Payment Transactions
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended), including consequential amendments to other standards
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 2 Share-based Payment
- IAS 1 Presentation to Financial Statements
- IAS 17 Leases
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments; Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- Improvements to IFRSs (issued in May 2008 and April 2009)

continued

2. BASIS OF PREPARATION (CONTINUED)

New standards, interpretations and amendments to published standards relevant to the bank that are not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Bank's accounting periods beginning on or after January 1, 2011 or later periods but which the Bank has not early adopted, as follows:

- IAS 24 Related Party Disclosures (Amendment)
- IAS 32 Financial Instruments: Presentation - Classification of Rights & Amortise Issues
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Improvements to IFRSs (issued in May 2010)

The Bank does not anticipate any material impact on the results of its operations from the implementation of these new standards when they become effective.

(b) Basis of consolidation

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date on which control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the Bank using consistent accounting policies. Inter-company transactions, balances and unrealized gains on transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The consolidated financial statements have been prepared in accordance with IFRS as promulgated by the IASB and with the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. Certain amounts included in or affecting the consolidated financial statements and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. A "critical accounting estimate" is one which is both important to the presentation of the Bank's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such estimates on an ongoing basis based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances.

Tangible assets

The Bank has made significant investments in physical assets. These are tested for impairment when circumstances indicate there may be a potential impairment. Changes in circumstances and management's evaluations and assumptions may give rise to impairment losses in the relevant future periods. As at June 30, 2011, no impairment losses were recorded for the reporting period.

Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of property and equipment. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful lives and in the amortization or depreciation charges. The Bank reviews the future useful lives of property and equipment periodically taking into consideration the factors mentioned above and all other important factors. Estimated useful lives for similar types of assets may vary due to factors such as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate, etc. In case of significant changes in the estimated useful lives, depreciation and amortization charges are adjusted prospectively.

Impairment losses on loans and advances to customers and banks

The Bank has significant investments in loans receivable. These assets are assessed for impairment at least on a quarterly basis. Management's process for this assessment is presented in Note 4d. Loans receivable are closely monitored, and adjustments made in future periods if the performance of the portfolio declines due to circumstances which arise during those periods.

Investments

The Bank has significant investment holdings. These investments are primarily Bahamas Government Registered Stock and are assessed for impairment on an ongoing basis. Management's process for this assessment is presented in Note 4d. Changes in circumstances and management's evaluations and assumptions may give rise to impairment losses in the relevant future periods.

continued

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The impairment test calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Cash flows are determined by using the projected inflows and adjusting for non-cash transactions primarily depreciation and loan losses, less projected capital outflows.

The impairment charge is determined by taking the difference between the present value of the unit's projected cash flow and its book value. As of June 30, 2011 no impairment loss was recognized for the reported period. Further details are presented in Note 11.

Deferred loan fees
In accordance with International Accounting Standard 18: Revenue, loan commitment fees are to be deferred and recognised over the life of the loan. Management amortises loan commitment fees using the average loan term. Any changes in average loan term will be recognised prospectively in interest income in the consolidated statement of comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied by the Bank:

a. Revenue recognition

Interest and similar income
For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate. The calculation of amortized costs takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument. The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expenses.

Fee and commission income
The Bank earns fee and commission income from a diverse range of services it provides to its customers. Fees and commissions are generally recognized on an accrual basis when the service has been provided.

Fee income earned from services that are provided over a certain period of time
Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transaction services
Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

b. Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash with The Central Bank of The Bahamas, amounts due from other banks, and short-term government securities.

c. Financial assets

The Bank classifies its financial assets in the following categories: Loans and receivables; held-to-maturity investments; and available-for-sale investments. Management determines the classification of its investments at initial recognition.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Bank upon initial recognition designates as available-for-sale; or those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

(ii) Held-to-maturity financial assets
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognized in the consolidated statement of comprehensive income when the investments are derecognized or impaired, as well as through the amortization process.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Available-for-sale financial assets
Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the consolidated statement of comprehensive income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in the consolidated statement of comprehensive income.

d. Impairment of financial assets

The Bank assesses at each statement of financial condition date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Non-accrual loans and overdrafts are identified as impaired and placed on a cash (non-accrual) basis when it is determined that the payment of interest or principal is doubtful of collection, or when interest or principal is past due 90 days or more, except for loans that are fully secured and in the process of collection, and loans to or guaranteed by The Government of The Commonwealth of The Bahamas. A loan is fully secured when the net realizable value of the collateral equals or exceeds the principal and outstanding interest. A loan is considered to be in the process of collection if the collection efforts are reasonably expected to result in repayment of principal and interest, or restoration to current status.

When a loan is identified as non-accrual, the accrual of interest is discontinued and any previously accrued but unpaid interest is charged against current earnings. Thereafter, interest is included in earnings only to the extent actually received in cash. While accrued interest is tracked for non-accrual loans, it is not added to the principal nor recognized as income, but rather is suspended.

Cash basis loans are returned to accrual status when all contractual principal and interest amounts have been brought current, are reasonably assured of repayment and/or there is a sustained period of repayment performance in accordance with contractual terms.

Provision for loan losses
Provision for loan losses represents management's estimate of probable losses inherent in the loan portfolio. The provision for loan losses is increased by charges to operating expense net of recoveries. Provision for loan losses is comprised of specific and a collective assessment.

The specific provision is maintained to reflect anticipated losses related to specific loans, or in the case of consumer loans that are not secured by real estate, on the aggregate portfolio. This specific provision is established for non-consumer loans and consumer loans secured by real estate individually when, in management's view, collection of interest and/or principal is doubtful. The amount of specific provision is based on the extent to which the principal is judged to be uncollectible.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The specific provision for an impaired collateral-dependent loan, where repayment is expected to be provided solely by the sale of the underlying collateral, is set at an amount equal to the difference between the principal balance and the net realizable value of the collateral. Net realizable value represents the discounted market price of the collateral less all costs associated with its disposition. For unsecured loans, the Bank calculates the provision by applying factors based on the past due status of the loans.

For the purpose of a collective assessment of impairment, loans are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for loans by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Future cash flows for loans that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the loans in the Bank and historical loss experience for loans with similar credit risk characteristics. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Consumer loans that are not fully secured by real estate are fully provided for when they are contractually in arrears more than 180 days. All other loans are provided for when the following conditions exist: i) contractually in arrears; ii) underlying collateral has been exhausted; and iii) no payment has been received within 180 days thereafter. Where a loan is being provided for, specific provision is increased to the principal amount of the loan.

Renegotiated loans
Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated any impairment is measured using the original effective interest rate as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate.

e. Foreign currency

The reporting and functional currency of the Bank is the Bahamian dollar (B$). Transactions in foreign currencies are converted to B$ at the rate of exchange prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are converted into B$ at market rates of exchange prevailing on the consolidated statement of financial condition date. Realized and unrealized foreign exchange gains and losses are included in the consolidated statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost or amortised cost are recorded at the exchange rate ruling at the date of transaction.

f. Property and equipment

Property and equipment (excluding the building) are stated at historical cost less accumulated depreciation. The building is stated at estimated salvage value of $384,951 with subsequent additions at cost less accumulated depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation and amortization are calculated on a straight-line basis using the following annual rates:

Building 50 years
Leasehold improvements 3-5 years
Furniture, fixtures and equipment 2-10 years

Leasehold improvements are amortised over the shorter of the economic useful life of the asset or the lease term and taking into consideration any extension of the lease term if there is reasonable expectation of renewal. The amortization term however does not exceed five years. Land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

h. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

i. Related parties

Related parties include all Ministries and Departments of The Bahamas Government, Government Corporations, Subsidiaries and Agencies as well as directors and key management personnel of the Bank. All transactions with related parties are based on rates and terms used in the normal course of business, except for reduced rates for borrowings by the Bank's personnel.

j. Employee benefits

The Bank operates a defined contribution plan (the "Plan") where the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the Plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Plan allows eligible employees (those who have attained 25 years of age and confirmed in their positions) to contribute a minimum of 3.5% of their annual salaries and the Bank contributes 6.5%. Employees become fully vested after 2 years of plan membership. The Plan's costs are charged to general and administrative expenses and are funded as accrued.

k. Earnings per share

Basic earnings per share is computed by dividing the net income attributable to common shareholders by the weighted average number of shares outstanding during the year.

l. Fiduciary activities

The Bank acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Bank.

m. Taxes

A subsidiary of the Bank is required to comply with United States Federal and State tax laws. The accounts for the tax effect of the subsidiary are recognized in accordance with IAS 12 Accounting for Taxes on Income. Accordingly deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and Laws) that have been enacted or substantially enacted by the statement of financial condition date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Bank provides a valuation allowance against deferred tax assets, if based on the weight of evidence available, it is more likely than not that some or all of the deferred tax assets will not be realized.

n. Investment property

Investment property, which is property that management intends to develop for rental purposes, is measured initially at cost, including transaction costs and thereafter it is stated at fair value based on appraisals by recognized valuation experts. Additions to investment property are also recorded at cost. On an annual basis the investment property is assessed for impairment with gains and losses arising from changes in the fair value of the investment property included in the consolidated statement of comprehensive income for the period in which they arise.

continued

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

p. Computer software

Acquired computer software costs and licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line basis of accounting over the expected useful life. Software has a maximum expected useful life of 10 years.

q. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

r. Group insurance funds

The Banks provisions for insurance policies related to mortgage indemnity policies and consumer protection policies. Provisions are made for claims notified and for claims incurred but which have not yet been notified. The associated outflows are estimated to arise over a period of up to five years from the statement of financial condition date. Amounts related to these liabilities are included in the consolidated statement of financial condition in the 'Other liabilities' line.

s. Share capital

(i) Share issue costs
Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(ii) Dividends on ordinary shares
Dividends on common and preferred shares are recognized in equity in the period in which they are approved by the Bank's Directors.

(iii) Treasury shares
Where the Bank has purchased its own equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

t. Going concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

u. Leases

Operating lease payments are recognized as an expense on a straight line basis over the lease term and included in 'operating expenses', in the consolidated statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in statement of financial position.

w. Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the consolidated statement of comprehensive income statement in 'Credit loss expense'. The premium received is recognised in the consolidated statement of comprehensive income in 'Net fees and commission income' on a straight line basis over the life of the guarantee.

5. CASH & CASH EQUIVALENTS

The following is an analysis of cash and cash equivalents.

Not included in cash and cash equivalents is the statutory reserve account with The Central Bank of The Bahamas ("the Central Bank") of $24,313,670 (2010: $21,998,000). Mandatory reserve deposits represent the Bank's regulatory requirement to maintain a percentage of deposit liabilities as cash or deposits with the Central Bank. These funds are not available to finance the Bank's day-to-day operations. All balances with The Central Bank of The Bahamas are non-interest bearing.

	2011	2010
Cash	$ 7,983,477	$ 6,546,506
Deposits with the Central Bank non-interest bearing	38,026,406	39,526,748
Due from banks	40,638,307	33,820,445
Cash and due from banks	86,648,190	79,893,699
Less: mandatory reserve deposits with the Central Bank	24,313,670	21,998,000
Cash and cash equivalents	**$ 62,334,520**	**$ 57,895,699**

6. INVESTMENT SECURITIES

Investment securities comprise equity and debt securities classified into the following categories:

	2011	2010
AVAILABLE-FOR-SALE		
Bahamas Registered Stock	$ 26,888,500	$ 25,111,400
Equity Securities	340,456	279,740
	$ 27,228,956	**$ 25,391,140**
HELD-TO-MATURITY		
Bahamas Registered Stock	$ 21,503,000	$ 25,186,500
Bridge Authority Bond	136,500	136,500
	$ 21,639,500	**$ 25,323,000**
TOTAL INVESTMENT SECURITIES	**$ 48,868,456**	**$ 50,714,140**

As of the year-end reporting date, government securities mainly comprise variable rate bonds tied to the Bahamian $ Prime Rate issued by The Bahamas Government with interest rates ranging from 4.84% to 6.00% per annum (2010: from 5.59% to 7.00% per annum) and scheduled maturities between 2013 and 2033 (2010: between 2010 and 2033).

The movements in the categories of investment securities are as follows:

	Available-for-sale	Held-to-maturity	Total
At July 1, 2009	$ 25,356,783	$ 25,323,000	$ 50,679,783
Additions	-	-	-
Net fair value gain	34,357	-	34,357
At June 30, 2010	**$ 25,391,140**	**$ 25,323,000**	**$ 50,714,140**
At July 1, 2010	$ 25,391,140	$ 25,323,000	$ 50,714,140
Additions	1,777,100	-	1,777,100
Maturities	-	(3,683,500)	(3,683,500)
Net fair value gain	60,716	-	60,716
At June 30, 2011	**$ 27,228,956**	**$ 21,639,500**	**$ 48,868,456**

7. LOANS AND ADVANCES TO CUSTOMERS, NET

Loans and advances to customers are as follows:

	2011	2010
Mortgage loans	$ 362,641,636	$ 345,307,361
Commercial loans	157,690,886	133,832,103
Consumer loans	47,283,185	51,927,832
Credit cards	2,329,568	2,312,217
Business overdrafts	80,069,160	73,490,658
Personal overdrafts	23,668,671	21,127,931
Government guaranteed student loans	7,092,745	7,284,636
	$ 680,775,850	$ 635,282,738
LESS: PROVISION FOR LOAN LOSSES:		
At beginning of year	$ 12,327,511	$ 9,172,385
Amount written-off	(3,036,992)	(502,500)
Net provision charged to expense	9,131,723	3,657,626
At end of year	18,422,242	12,327,511
Accrued interest receivable	6,810,947	6,257,042
Loans and advances to customers, net	**$ 669,164,555**	**$ 629,212,269**

During the year, the Bank wrote-off loans totaling $3,036,992 (2010: $502,500) against its specific provision. These loans, however, are subject to the Bank's ongoing collections efforts. Included in the consolidated statement of comprehensive income are net recoveries of ($34,807) and (2010: $291,046).

Loan loss provisions are as follows:

SPECIFIC PROVISIONS	2011	2010
Mortgage Loans	$ 4,054,743	$ 2,408,537
Commercial Loans	7,222,305	5,171,032
Consumer Loans	3,712,104	2,768,704
Credit Cards	1,332,104	340,994
	16,321,256	10,689,267
Collective Assessment	2,100,986	1,638,244
TOTAL	**$ 18,422,242**	**$ 12,327,511**
TOTAL PROVISIONS AS A PERCENTAGE OF THE NET LOAN PORTFOLIO	**2.76%**	**1.96%**
PROVISIONS AND EQUITY RESERVES AS A PERCENTAGE OF THE NET LOAN PORTFOLIO	**3.35%**	**2.6%**

Non-accrual loans are as follows:

	2011	2010
Mortgage Loans	$ 41,078,190	$ 33,673,078
Commercial Loans	24,293,911	18,205,705
Consumer Loans	9,402,163	4,780,307
Credit Cards	517,782	625,230
TOTAL	**$ 75,292,046**	**$ 57,284,320**
PERCENTAGE OF LOAN PORTFOLIO (NET)	**11.26%**	**9.11%**
PERCENTAGE OF TOTAL ASSETS	**9.14%**	**7.36%**

continued

7. LOANS AND ADVANCES TO CUSTOMERS, NET (CONTINUED)

The following is an analysis of the concentration of loans and advances to customers by outstanding balances:

	2011 Value	2011 No. of Loans	2010 Value	2010 No. of Loans
$0 - $ 10,000	$ 14,568,190	4,293	$ 13,460,230	4,726
$10,001 - $ 25,000	22,620,082	1,353	22,676,974	1,347
$25,001 - $ 50,000	21,127,056	593	22,020,666	614
$50,001 - $100,000	46,274,468	636	47,451,263	649
Over $100,000	576,186,054	1,628	529,673,605	1,542
	$ 680,775,850	**8,503**	**$ 635,282,738**	**8,878**

The table below shows the distribution of loans and advances to customers that are neither past due or impaired:

	2011	2010
Satisfactory Risk	$ 420,202,046	$ 353,115,544
Watch List	54,972,452	56,096,108
Sub-standard but not impaired	43,053,502	69,390,348
	$ 518,228,000	**$ 478,602,000**

The following is an analysis of loans and advances by credit quality:

	2011 Principal Balance	2011 Restructured	2011 Total	2010 Principal Balance	2010 Restructured	2010 Total
MORTGAGES						
Neither past due or impaired	$ 242,280	$ 14,084	$ 256,364	$ 232,063	$ 12,468	$ 244,531
Past due but not impaired	51,659	3,524	55,183	50,678	6,005	56,683
Impaired	33,797	7,281	41,078	29,366	4,307	33,673
	$ 327,736	$ 24,889	$ 352,625	$ 312,107	$ 22,780	$ 334,887
COMMERCIAL						
Neither past due or impaired	$ 82,568	$ 26,766	$ 109,334	$ 71,841	$ 10,212	$ 82,053
Past due but not impaired	14,185	9,878	24,063	30,286	3,287	33,573
Impaired	24,294	-	24,294	17,780	426	18,206
	$ 121,047	$ 36,644	$ 157,691	$ 119,907	$ 13,925	$ 133,832
CONSUMER						
Neither past due or impaired	$ 47,060	$ 283	$ 47,343	$ 54,283	$ 1,808	$ 56,091
Past due but not impaired	7,593	55	7,648	7,871	891	8,762
Impaired	8,984	418	9,402	3,280	1,500	4,780
	$ 63,637	$ 756	$ 64,393	$ 65,434	$ 4,199	$ 69,633
CREDIT CARDS						
Neither past due or impaired	$ 1,449	$ -	$ 1,449	$ 1,308	$ -	$ 1,308
Past due but not impaired	363	-	363	379	-	379
Impaired	518	-	518	625	-	625
	$ 2,330	$ -	$ 2,330	$ 2,312	$ -	$ 2,312
BUSINESS OVERDRAFTS						
Neither past due or impaired	$ 80,069	$ -	$ 80,069	$ 73,491	$ -	$ 73,491
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 80,069	$ -	$ 80,069	$ 73,491	$ -	$ 73,491
PERSONAL OVERDRAFTS						
Neither past due or impaired	$ 23,669	$ -	$ 23,669	$ 21,128	$ -	$ 21,128
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 23,669	$ -	$ 23,669	$ 21,128	$ -	$ 21,128

continued

7. LOANS AND ADVANCES TO CUSTOMERS, NET (CONTINUED)

The analysis of the age of loans and advances to customers that were past due but not impaired is as follows:

2011

In ($000s)	Residential Mortgage	Commercial	Consumer	Credit Card	Total
Past due up to 29 days	$ 17,209	$ 9,038	$ 1,994	$ 145	$ 28,386
Past due 30 - 59 days	18,331	11,178	2,264	76	31,849
Past due 60 - 89 days	19,643	3,847	3,390	142	27,022
	$ 55,183	**$ 24,063**	**$ 7,648**	**$ 363**	**$ 87,257**

2010

In ($000s)	Residential Mortgage	Commercial	Consumer	Credit Card	Total
Past due up to 29 days	$ 16,379	$ 7,333	$ 1,731	$ 146	$ 25,589
Past due 30 - 59 days	22,501	17,956	3,820	114	44,391
Past due 60 - 89 days	17,803	8,284	3,211	119	29,417
	$ 56,683	**$ 33,573**	**$ 8,762**	**$ 379**	**$ 99,397**

8. INVESTMENT PROPERTY

The Bank owns land which is located at West Bay Street, Nassau.

It is management's intention to construct a commercial office complex on this land. 30% of the complex will be used to house the Bank's headquarters, a retail branch and the remaining 70% will be available for commercial rental. Management has allocated the land using these percentages and in accordance with IAS 16 Property, Plant and Equipment management has classified the portion of that land that has been allocated to be used for its headquarters as fixed assets and that portion of the land that has been allocated for commercial rental as investment property in accordance with IAS 40: Investment Property.

The movement in investment property during the year is as follows:

	2011	2010
Beginning balance	$ 3,882,873	$ 3,876,052
Additions	-	6,821
	$ 3,882,873	**$ 3,882,873**

9. OTHER ASSETS

Other assets are comprised of the following:

	2011	2010
Accounts receivables	$ 591,494	$ 413,244
Prepaid assets	2,083,487	1,992,028
Cheque clearing account	1,205,279	1,255,488
Other assets	440,251	818,087
	$ 4,320,511	**$ 4,478,847**

Included in other assets is the Bank's investments in the Bahamas Automated Clearing House Limited.

10. PROPERTY AND EQUIPMENT, NET

The movement in property and equipment during the year is as follows:

	Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Total
COST:				
Balance as at June 2009	$ 2,717,776	$ 5,397,137	$ 7,290,578	$ 15,405,491
Additions	1,638	13,303	1,646,807	1,661,748
Disposal	(171,599)	(2,366,181)	(5,043,812)	(7,581,592)
Balance as at June 2010	2,547,815	3,044,259	3,893,573	9,485,647
Additions	-	-	2,676,222	2,676,222
Disposal	-	-	(19,012)	(19,012)
Balance as at June 2011	**$ 2,547,815**	**$ 3,044,259**	**$ 6,550,783**	**$ 12,142,857**
ACCUMULATED DEPRECIATION:				
Balance as at June 2009	$ 903,256	$ 3,894,500	$ 6,102,629	$ 10,900,385
Depreciation	2,940	539,319	708,762	1,251,021
Disposal	(171,599)	(2,514,007)	(5,183,827)	(7,869,433)
Balance as at June 2010	734,597	1,919,812	1,627,564	4,281,973
Depreciation	245	412,218	582,570	995,033
Disposal	-	-	(19,012)	(19,012)
Balance as at June 2011	**$ 734,842**	**$ 2,332,030**	**$ 2,191,122**	**$ 5,257,994**
NET BOOK VALUE:				
Balance as at June 30, 2011	**$ 1,812,973**	**$ 712,229**	**$ 4,359,661**	**$ 6,884,863**
Balance as at June 30, 2010	**$ 1,813,218**	**$ 1,124,447**	**$ 2,266,009**	**$ 5,203,674**

Land in the amount of $1,428,020 (2010: $1,428,020) is included in land and building.

11. INTANGIBLE ASSETS, NET

	Goodwill	Software	Total
Balance as at June 30, 2009	$ 1,075,759	$ 3,302,530	$ 4,378,289
Additions	-	192,630	192,630
Disposal	-	(178,540)	(178,540)
Amortisation	-	(465,232)	(465,232)
Closing as at June 30, 2010	$ 1,075,759	$ 2,851,388	$ 3,927,147
Balance as at June 30, 2010	$ 1,075,759	$ 2,851,388	$ 3,927,147
Additions	-	643,772	643,772
Disposal	-	-	-
Amortisation	-	(525,558)	(525,558)
Closing as at June 30, 2011	**$ 1,075,759**	**$ 2,969,602**	**$ 4,045,361**

Goodwill arose during the Bank's acquisition of the business of the former Workers Bank Limited. Goodwill is allocated to the Harrold Road Branch where the book of business is managed. The recoverable amount is based on a value in use calculation using cash flow projections from budgets approved by management covering a five year period. The discount rate applied to the cash flow projections is 7.40% (2010: 7.38%). As at June 30, 2011, management determined that goodwill was not impaired (2010: $0).

12. DEPOSITS FROM CUSTOMERS AND BANKS

Deposits from customers and banks are as follows:

	2011	2010
Term deposits	$ 511,635,856	$ 466,027,638
Demand deposits	86,556,279	89,515,710
Savings accounts	43,986,542	40,915,540
	642,178,677	596,458,888
Accrued interest payable	7,212,075	6,460,403
	$ 649,390,752	**$ 602,919,291**

The following is an analysis of the concentration of deposits from customers and banks by size of deposits:

	2011		2010	
	Value	No. of Deposits	Value	No. of Deposits
$0 - $ 10,000	$ 24,560,818	42,724	$ 22,979,853	39,331
$10,001 - $ 25,000	17,382,970	1,145	16,987,329	1,105
$25,001 - $ 50,000	18,863,203	539	16,187,274	461
$50,001 - $100,000	25,430,904	368	23,248,503	334
Over $100,000	555,940,782	685	517,055,929	598
	$ 642,178,677	**45,461**	**$ 596,458,888**	**41,829**

In 1999, The Central Bank established the Deposit Insurance Corporation (the "Corporation"). The Bank paid an annual premium of $168,977 (2010: $149,251) to the Corporation, which insures the funds of all individual Bahamian dollar depositors of the Bank up to a maximum of $50,000.

13. OTHER BORROWED FUNDS

BONDS PAYABLE

Bonds payable were issued to the National Insurance Board on May 1, 2002, and bear interest at the Bahamian dollar prime rate which at year-end was 4.75% (2010: 5.50%). Interest expense during the year on these instruments totaled $926,966 (2010: $935,000). These bonds are secured under a trust agreement by specific performing loans granted under the Government Guaranteed Advanced Education Loan Scheme and/or other qualifying assets which include Government registered stock and cash. Interest payable on bonds at the year-end was $15,486 (2010: $15,370).

The amounts and maturity dates are as follows:

Description	Maturity	2011	2010
Prime bond series A	Due December 31, 2012	$ 3,500,000	$ 3,500,000
Prime bond series B	Due December 31, 2013	4,800,000	4,800,000
Prime bond series C	Due December 31, 2014	2,600,000	2,600,000
Prime bond series D	Due December 31, 2015	6,100,000	6,100,000
		$ 17,000,000	**$ 17,000,000**

MORTGAGE BACKED BONDS

Mortgage backed bonds bearing interest of 1.75% above Bahamian dollar prime rate which yields an effective rate of 6.50% were issued in a private placement on January 1, 2007. Interest expense on these instruments during the year 2011 totaled $1,440,547 (2010: $1,450,000). In accordance with the trust agreement, these bonds are secured by the equivalent amount of performing mortgage loans in the Bank's loan portfolio.

Description	Maturity	2011	2010
Mortgage backed bonds Series F	2022	$ 4,000,000	$ 4,000,000
Mortgage backed bonds Series G	2023	4,000,000	4,000,000
Mortgage backed bonds Series H	2024	4,000,000	4,000,000
Mortgage backed bonds Series I	2025	4,000,000	4,000,000
Mortgage backed bonds Series J	2026	4,000,000	4,000,000
		$ 20,000,000	**$ 20,000,000**

14. OTHER LIABILITIES

Other liabilities consist of the following:

	2011	2010
Accounts Payable	$ 1,897,406	$ 2,934,936
Other Liabilities	4,661,523	4,152,059
Cardholders Liability	1,322,275	1,458,522
Cheques and other items in transit	4,808,826	6,705,213
Group Insurance Funds	1,977,339	1,146,487
	$ 14,667,369	**$ 16,397,217**

15. SHARE CAPITAL

Share capital consists of the following:

EQUITY CAPITAL

	2011	2010
Authorized:		
150,000, preference shares of B$1,000 each (2010: 150,000)	$ 150,000,000	$ 150,000,000
25,000,000 Ordinary shares of B$1 each (2010: 25,000,000)	$ 25,000,000	$ 25,000,000
Issued and fully paid:		
34,415.99 preference shares of B$1,000 each (2010:34,415.99)	$ 34,415,990	$ 34,415,990
15,522,224 Ordinary shares of B$1 each (2010: 15,596,145)	$ 15,522,224	$ 15,596,145

Preference shares

The Bank's shareholders have approved resolutions to increase the authorized share capital of the Bank and allow the issuance of non-voting cumulative preference shares redeemable at the discretion of the Board of Directors. On June 30, 2006 and during May 7, 2009 the Bank issued a total of B$15,000,000 and B$20,000,000 in redeemable preference shares at a rate of 2.00% and 2.50% above the Bahamian dollar prime rate which yields an effective interest rate of 6.75% and 7.25% respectively per annum. In accordance with International Financial Reporting Standards, as the preference shares are classified as equity, the dividends on these shares are paid out of retained earnings. Costs totaling $235,010 and $349,000 related to the preference share offering respectively were netted against the proceeds.

16. TREASURY SHARES

In 2004, the Bank acquired 45,000 of its shares for the purpose of establishing an employee stock incentive plan. On June 30, 2007, the stock plan expired. The number of shares remaining at that time was 3,855. During March 2011, the Bank's Board of Directors approved the repurchase of $500,000 of the Bank's own shares. The implementation of the share repurchase plan is a strategy to enhance the shareholder value to existing shareholders. During the period March 2011 through to June 2011 the Bank acquired 73,921 of its own shares for $446,940 including fees and commissions. As at June 30, 2011 the Bank held treasury shares of 77,776 (2010: 3,855).

17. RESERVES

Reserves are comprised of the net gain on remeasurement of available-for-sale securities to fair value as of the reporting date and regulatory credit reserves for loan loss provisions. Previously, the Bank recorded all credit reserves as a valuation allowance against loans and advances to customers. During the first quarter of the Bank's fiscal year, the Bank established a regulatory credit reserve as an appropriation to retained earnings. In circumstances where the Central Bank guidelines and regulatory rules require provisions in excess of those calculated under IFRS, the difference is accounted for as an appropriation of retained earnings and is included in a non-distributable regulatory credit reserve in retained earnings.

	2011	2010
Balance, beginning of year	$ 4,057,051	$ 22,694
Regulatory credit reserves	-	4,000,000
Fair value gains, net during the year	60,716	34,357
Balance, end of year	**$ 4,117,767**	**$ 4,057,051**

18. NET INTEREST INCOME

	2011	2010
Interest and similar income		
Cash and short term investments	$ 132,897	$ 137,715
Investment securities	2,994,715	3,023,933
Loans and advances to customers	60,126,257	52,838,037
	63,253,869	55,999,685
Interest and similar expense		
Banks and customers	24,849,723	22,202,509
Debt securities	2,367,514	2,385,000
	27,217,237	24,587,509
Total net interest income	**$ 36,036,632**	**$ 31,412,176**

19. FEE AND COMMISSION INCOME

	2011	2010
Deposit services fees and commissions	$ 1,992,595	$ 1,794,385
Credit services fees and commissions	205,205	209,072
Card services fees and commissions	1,392,020	1,507,186
Other fees and commissions	371,023	136,448
Total fee and commission income	**$ 3,960,843**	**$ 3,647,091**

20. OTHER OPERATING INCOME

	2011	2010
Foreign exchange	$ 1,698,106	$ 1,633,904
Other	1,081,708	1,763,815
Total other operating income	**$ 2,779,814**	**$ 3,397,719**

21. OPERATING EXPENSES

	2011	2010
Staff costs	$ 16,633,410	$ 15,041,298
Occupancy	3,495,866	3,037,437
Licenses and other fees	2,073,215	1,692,425
Other administrative expenses	1,814,525	2,543,567
Advertising, marketing and donations	1,078,576	731,841
Information technology	672,159	981,872
Telecommunication and postage	474,825	315,044
Travel and entertainment	351,029	306,568
Operating expenses	**$ 26,593,605**	**$ 24,650,052**
Depreciation of property and equipment	$ 995,033	$ 1,251,022
Amortization of software	525,558	465,232
Depreciation and amortisation	$ 1,520,591	$ 1,716,254
Total Operating Expenses	**$ 28,114,196**	**$ 26,366,306**

22. CONTINGENCIES

Various legal proceedings are pending that challenge certain actions of the Bank. Most of these proceedings are loan-related and are reactions to steps taken by the Bank to collect delinquent loans and enforce its rights against collateral securing such loans. Management considers that the aggregate liability resulting from these proceedings will not be material.

23. COMMITMENTS

(a) The approximate minimum rental commitments (exclusive of the effect of escalation clauses as to taxes, maintenance, etc.) under operating leases for the year ending June 30, 2011, are as follows:

No later than 1 year	$ 361,035
Later than 1 year and no later than 5 years	1,079,575
Total	**$ 1,440,610**

Rental expense (including service charges) totaled $1,760,264 (2010: $1,559,208). All leases contain renewal options for the next 5 years as well as escalation clauses. There are no contingent rent payables or any additional restrictions placed on these lease arrangements.

(a) The commitment for loans at June 30, 2011 was $14,175,818 (2010: $22,125,288).

(b) The Bank has a commitment for future capital expenditure of $552,370 (2010: $149,478).

(c) The Bank has a commitment with Visa of $450,000 (2010: $450,000).

(d) The Bank has a commitment with Master Card of $150,000 (2010: $150,000).

(e) The Bank has letters of credit and guarantees of $1,767,584 (2010: $1,210,561).

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

All loans to related parties are secured in the regular course of business; there were no provisions for doubtful debts against any of these balances as at June 30, 2011 (2010: Nil). No provision expense has been recognized in these consolidated financial statements on loans to related parties.

	Government	Other Government Entities	Key Management	Total 2011	Total 2010
Assets					
Cash and cash equivalents	$ -	$ 38,026,406	$ -	$ 38,026,406	$ 39,526,748
Investment securities	48,528,000	-	-	48,528,000	50,434,400
Loans and advances to customers	1,434,356	11,330,392	3,909,183	16,673,931	19,598,324
Other Assets	799,426	-	-	799,426	851,864
Liabilities					
Deposits from customers and banks	$ 81,653,658	$ 98,078,187	$ 823,916	$ 180,555,761	$ 189,536,019
Other borrowed funds	-	17,000,000	-	17,000,000	17,000,000
Other liabilities	-	15,486	-	15,486	15,370
Revenues					
Interest Income	$ 3,244,361	$ 540,315	$ 177,006	$ 3,961,682	$ 4,077,068
Total	**$ 3,244,361**	**$ 540,315**	**$ 177,006**	**$ 3,961,682**	**$ 4,077,068**
Expenses					
Interest Expense	$ 2,643,809	$ 5,921,664	$ 23,274	$ 8,588,747	$ 8,582,128
Directors fees	-	-	208,617	208,617	166,500
Other operating expenses	1,045,510	-	-	1,045,510	827,354
Short-term employee benefits	-	-	2,416,849	2,416,849	2,471,528
Post employment benefits	-	-	140,105	140,105	130,181
Total	**$ 3,689,319**	**$ 5,921,664**	**$ 2,788,845**	**$ 12,399,829**	**$ 12,177,691**

25. EMPLOYEE BENEFITS

The Bank has a defined contribution plan (the "Plan") in which eligible employees (those having attained 25 years of age and confirmed in their positions) contribute a minimum of 3.50% of their annual salaries and the Bank contributes 6.50%. Employees become fully vested after 2 years of plan membership. The plan assets are managed by an independent third party investment manager.

Contributions for the year ended June 30, 2011 totaled $679,664 (2010: $644,310).

As at June 30, 2011, the Plan owns 210,826 (2010: 210,826) shares of the Bank. The holdings represent approximately 14.01% (2010: 12.00%) of the Plan's net assets.

As at June 30, 2011, the Plan has deposits totaling $6,569,665 (2010: $6,573,077) with the Bank.

The Bank serves as the Trustee of the Plan.

26. ASSETS UNDER ADMINISTRATION

Assets under administration for clients in the Bank's fiduciary capacity are as follows:

	2011	2010
Government-guaranteed student education loans	$ 77,980,301	$ 79,402,833
Trust assets	$ 63,788,789	$ 58,379,640

During the period, the Bank recognized fees totaling $169,211 (2010: $208,558), for the administration of the Government Guaranteed Student Loans program.

27. DIVIDENDS AND EARNINGS PER SHARE

Dividends to the Bank's shareholders are recognized as a liability in the period in which they are declared by the Board of Directors. Dividends paid by the Bank to ordinary shareholders in 2011 totaled $2,335,776 or $0.15 per share (2010: $2,495,383 or $0.16 per share).

During the year the Bank paid dividends on its preference shares of $1,362,500 (2010:$2,725,000).

	2011	2010
Net income attributable to equity shareholders	$ 5,021,546	$ 7,662,439
Preference share dividends	(1,362,500)	(2,725,000)
Net income attributable to ordinary shareholders	$ 3,659,046	$ 4,937,439
Weighted average number of ordinary shares outstanding	15,576,503	15,596,145
Basic earnings per ordinary share	$ 0.23	$ 0.32

28. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values presented represent values at which financial instruments could be exchanged in a current transaction between willing parties. Where there is no available trading market, fair values are estimated using appropriate valuation techniques. The fair values of non-financial instruments, such as property and equipment and investment property, are explained in previous notes.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Bahamas International Securities Exchange and New York Stock Exchange).

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

As of June 30, 2011 the Bank held equity securities classified as available-for-sale totaling $340,456 (2010: $279,740) which have been valued as a Level 1 investment. All other investments totaling $48,528,000 (2010: $50,434,400) are classified as Level 2. No transfers were made during the period for any investments between the hierarchy.

The following methods and assumptions have been used in determining fair value:

Cash and cash equivalents, other assets and other liabilities
Due to their short-term maturity, the carrying values of these financial instruments are assumed to approximate their fair values.

Investments
The estimated fair values of investments are based on quoted market prices, when available. If quoted market prices are not available the estimated fair value of investments are deemed to reflect the cost or amortised cost.

Loans
For floating rate loans that are subject to re-pricing within a short period of time, fair values are assumed to be equal to their carrying values.

Deposits
The estimated fair values of deposits are assumed to be equal to their carrying values due to their short-term nature.

Investment property
The estimated fair value of investment property is based on a valuation performed by an appointed independent registered valuer taking into account factors such as the property growth and market in the surrounding area. The fair market value of investment property reflects the market conditions at the date of the consolidated statement of financial position.

29. REGULATORY CAPITAL

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by The Central Bank. During the past year, the Bank had complied in full with all its externally imposed capital requirements.

Capital risk management
The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objective, policies and processes from the previous years.

The capital structure is designed to provide optimal risk absorption consistent with the risk profile of the Bank's statement of financial condition which therefore ensures that the Bank has the ability to continue as a going concern. The capital mix is intended to maximize the return for shareholders. The Bank utilizes a balance of equity and debt issuances to achieve an ideal capital structure as shown in Note 15.

At June 30, 2011 the capital structure of the Bank consists of equity held by common shareholders, including issued capital, share premium, preference shares and retained earnings. The Bank's Board and Asset/Liability management committee monitor the capital structure and review the structure at least quarterly, reviewing the capital mix and the cost of capital for each class of capital. Ongoing capital management includes the payment of dividends, new share issuances, redemptions of preferences shares, reserves, retained earnings and common share issuances.

continued

29. REGULATORY CAPITAL (CONTINUED)

(In $000s)	Actual 2011	Actual 2010
Tier 1 capital	$ 118,276	$ 115,296
Tier 2 capital	16,439	12,385
Total capital	**$ 134,715**	**$ 127,681**
Risk weighted assets	**$ 549,232**	**$ 507,338**
Tier 1 capital ratio	14.04%	14.58%
Total capital ratio	16.00%	16.15%

Regulatory capital consists of Tier 1 capital, which comprises share capital, reserves less goodwill and retained earnings including current year profit. The other component of regulatory capital is Tier 2 capital, which comprises long term debt, revaluation reserves on available-for-sale securities and loan loss provisions.

The Central Bank's regulations requires, consistent with international best practice as defined by the Bank of International Settlements Basel 1 Capital Accord, that the Bank maintains a risk adjusted capital to asset ratio equal to or greater than 8.00%. The Bank's risk adjusted capital ratio at the end of the fiscal year was 23.19% (2010: 24.07%).

30. COMPARATIVES

The following adjustments were made to the prior year's financial statement balances. In the Consolidated Statement of Financial Condition, Other Assets and Other Liabilities were reduced by $1,056,296 for inter-company balances. The Other Assets and Other Liabilities notes to the consolidated financial Statements in the prior year were also adjusted accordingly.

31. RISK MANAGEMENT

There are a number of risks inherent in commercial banking that the Bank manages on an ongoing basis. Among these risks, the more significant are credit, operational, currency, liquidity, capital and interest rate risks.

Credit risk

Credit risk arises from the failure of counterparty to perform according to the terms of the contract. From this perspective, the Bank's significant exposure to credit risk is primarily concentrated in cash and due from banks, investments and loans. The cash, due from banks and investments are predominantly in Bahamian and United States dollars and have been placed with high quality institutions. The Bank maintains deposits in foreign currencies with top rated corresponding banks in the United States, Canada and the United Kingdom. Credit risk arising from loans is mitigated through the employment of a comprehensive credit risk management regime that sets limits for sector concentration, as well as single and related party exposure. The Board of Directors approves credit granting limits. In addition, credits are subject to regular review by the Bank's credit risk management department, internal audit department and annual review by credit officers. The vast majority of the Bank's loans are collateralized and guaranteed thus providing further mitigation of credit risk.

The Bank assesses credit exposure on loans by utilizing risk ratings. The ratings are categorized into a variety of segments such as minimal risk, moderate risk, high risk and non-performing. The purpose of credit rating is to provide a simple, but effective and ongoing system of credit risk gradation by which relative credit worthiness of borrowers may be identified and accordingly the level of credit enhancements, degree of monitoring, frequency of reviews, level of provisioning, and pricing can be determined. The credit rating would reflect both the likelihood of default and the potential extent of loss given default.

The credit worthiness of most borrowers is not constant over a period of time. For this reason changes in ratings must reflect changes in the relative strength of the borrowers and their obligations. Appropriate credit ratings must be assigned to every borrowing relationship. A rating must be assigned at the time of credit extension and reviewed and updated in each periodic review or if the situation warrants a change at any other time. A rating change highlights a change in the credit worthiness, or corrects a previous rating that did not fully reflect the quality of the credit. Because of their very nature, changes are to be expected more frequently among credits with lower ratings than among credits of higher ratings. Typically loans within a retail credit portfolio which are performing are not assessed for changes in ratings unless the customer approaches the Bank for additional credit.

The assigning of a risk rating calls for professional judgment and can involve subjective elements. When a credit rating is assigned, all relevant information concerning the risk profile of the borrower is considered including, but not limited to, industry trends, economic climate, business environment and earnings track record. Consideration is given to such less quantifiable items such as opinion of management, perception of trustworthiness and character, hidden reserves and other factors.

The Bank conducts an impairment assessment on each of its loans. The main considerations for the loan impairment assessment included whether any payments of principal or interest are overdue or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Bank addresses impairment on an individual and portfolio basis. In managing credit risk the Bank takes a holistic approach in assessing its impact and implications from a regulatory standpoint and potential consequences for liquidity and its capital.

continued

31. RISK MANAGEMENT (CONTINUED)

Concentration of risks and financial assets with credit risk exposure are as follows:

In ($000s)	2011 Principal Balance	2011 Restructured	2011 Total	2010 Principal Balance	2010 Restructured	2010 Total
CASH AND CASH EQUIVALENTS						
Neither past due or impaired	$ 86,648	$ -	$ 86,648	$ 79,894	$ -	$ 79,894
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 86,648	**$ -**	**$ 86,648**	**$ 79,894**	**$ -**	**$ 79,894**
INVESTMENT SECURITIES						
Neither past due or impaired	$ 48,868	$ -	$ 48,868	$ 50,714	$ -	$ 50,714
Past due but not impaired	-	-	-	-	-	-
Impaired	-	-	-	-	-	-
	$ 48,868	**$ -**	**$ 48,868**	**$ 50,714**	**$ -**	**$ 50,714**
LOANS AND ADVANCES TO CUSTOMERS						
Neither past due or impaired	$ 477,095	$ 41,133	$ 518,228	$ 454,114	$ 24,488	$ 478,602
Past due but not impaired	73,800	13,457	87,257	89,214	10,183	99,397
Impaired	67,593	7,699	75,292	51,051	6,233	57,284
	$ 618,488	**$ 62,289**	**$ 680,776**	**$ 594,379**	**$ 40,904**	**$ 635,283**

Financial assets are past due when a counterparty has failed to make a payment when contractually due.

Operational risk

Operational risk relates to the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. It is mitigated by documented policies and procedures, staff training and a rigorous risk-based internal audit regime.

Foreign exchange risk

The Bank holds assets and liabilities denominated in currencies other than Bahamian dollars, the measurement currency of the Bank. Consequently the Bank is exposed to foreign exchange risk since the values of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Bank manages these positions by matching assets with liabilities wherever possible. The table below summarized the Bank's exposure to foreign currency exchange risk at June 30, 2011. Included in the table are the Bank's financial instruments at carrying amounts, categorized by currency.

Concentrations of currency risk

As at June 30, 2011 In ($000s)	B$	US$	CAD$	GBP£	Other	Total
ASSETS						
Cash and central bank balances	$ 43,971	$ 34,649	$ 7,379	$ 300	$ 350	$ 86,649
Financial assets - held to maturity	21,640	-	-	-	-	21,640
Financial assets - available for sale	26,888	340	-	-	-	27,228
Loans and advances	643,073	26,088	3	1	-	669,165
Total financial assets	**$ 735,572**	**$ 61,077**	**$ 7,382**	**$ 301**	**$ 350**	**$ 804,682**
LIABILITIES						
Deposits from customers and banks	$ 605,804	$ 36,831	$ 6,740	$3	$ 13	$ 649,391
Other borrowed funds	37,000	-	-	-	-	37,000
Cheques and other items in transit	2,539	1,624	462	182	2	4,809
Total financial liabilities	**$ 645,343**	**$ 38,455**	**$ 7,202**	**$ 185**	**$ 15**	**$ 691,200**
Net financial position	**$ 90,229**	**$ 22,622**	**$ 180**	**$ 116**	**$ 335**	**$ 113,482**
AS AT JUNE 30, 2010						
Total financial assets	$ 694,128	$ 58,449	$ 6,711	$ 385	$ 147	$ 759,820
Total financial liabilities	602,902	37,001	6,360	351	11	646,625
Net financial position	**$ 91,226**	**$ 21,448**	**$ 351**	**$ 34**	**$ 136**	**$ 113,195**

continued

31. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate sensitivity or interest rate risk results from differences in the maturities or re-pricing dates of earning assets and paying liabilities. Interest rate risk exposures may produce favorable or unfavorable effects on interest margins depending on the nature of the gap and the direction of interest rate movement and/or the expected volatility of those interest rates. Interest rate gaps are carefully monitored and scenario tests performed to determine the potential impact of various gap exposures.

The Bank analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration pricing, renewal of existing positions, and capital funding. Based on these scenarios, the Bank calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. Based on the simulations performed, the impact on net income and consequently shareholders' equity of a 100 basis point shift would be a maximum increase or decrease of $3.4 million (2010: $3.2 million).

Liquidity risk

Liquidity risk reflects the risk that the Bank will not be able to meet an obligation when it becomes due or honors a deposit withdrawal request or service loans. The Bank maintains a portion of its deposits in cash and other liquid assets to mitigate this risk. On a daily basis, the Bank monitors its cash and other liquid assets to ensure that they sufficiently meet the Bank's requirements. In addition, the Bank performs regular gap analyses showing the maturity exposure arising from the different maturity of assets and liabilities. As is the case throughout the sector, those gap analyses show that the Bank is liability-sensitive in the short term. Regular scenario tests are performed to determine the extent to which the Bank can withstand unforeseen withdrawals and the cost associated with meeting such demands should they arise.

The following tables summarizes the carrying amount of consolidated financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at the consolidated statement of financial condition date to the contractual maturity date. The actual maturity dates could be significantly different from the amounts in the table.

June 30, 2011 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Cash and cash equivalents	$ 86,648	$ -	$ -	$ -	$ 86,648
Investment Securities	-	-	12,905	35,963	48,868
Loans and advances to customers, net	165,203	52,112	86,821	365,030	669,166
Total financial assets	**$ 251,851**	**$ 52,112**	**$ 99,726**	**$ 400,993**	**$ 804,682**

June 30, 2011 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Deposits from customers and banks	$ 401,926	$ 217,776	$ 20,834	$ 8,855	$ 649,391
Other borrowed funds	-	-	17,000	20,000	37,000
Cheques and other items in transit	4,809	-	-	-	4,809
Total financial liabilities	**$ 406,735**	**$ 217,776**	**$ 37,834**	**$ 28,855**	**$ 691,200**
Net position	**$ (154,884)**	**$ (165,664)**	**$ 61,892**	**$ 372,138**	**$ 113,482**

June 30, 2010 In ($000s)	**Within 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**
Total financial assets	$ 206,584	$ 59,284	$ 89,593	$ 404,359	$ 759,820
Total financial liabilities	390,271	196,053	36,330	23,970	646,624
Net position	**$ (183,687)**	**$ (136,769)**	**$ 53,263**	**$ 380,389**	**$ 113,196**

32. SUBSIDIARIES

Subsidiaries of the Bank as at June 30, 2011 are as follows:

Name	**Incorporation**	**Shareholding**	**Nature of business**
BOB Financial Services Inc.	Florida, United States of America	100%	Trade financing and other financial services
Multi-Card Services Ltd.	Commonwealth of The Bahamas	100%	Card processing and services
West Bay Property Holdings Ltd.	Commonwealth of The Bahamas	100%	Investment Property
Bank of The Bahamas Trust Ltd.	Commonwealth of The Bahamas	100%	Trust Company
BAHTCO Holdings Ltd.	Commonwealth of The Bahamas	100%	Nominee Holding Company

STAFF MEMBERS

EXECUTIVE MANAGEMENT

Paul J.I. McWeeney
Managing Director

Beverley Farquharson
Deputy Managing Director

Vaughn Delaney
Deputy Managing Director

SENIOR MANAGERS

Hubert Edwards
Senior Manager, Business & Strategic Planning

Dario Lundy-Mortimer
Chief Financial Officer

Renee Davis
Senior Manager, Operations

Philice Albury
Senior Manager, Risk

Darryl Bartlett
Senior Manager, Credit Risk

Vanessa Taylor
Chief Internal Auditor

Laura A. Williams
Manager, Corporate Affairs & Company Secretary

Executive Office
Brown, Mr. Garnal
Johnson, Miss Anshena

Operations Department
Adderley, Miss Qutell
Gardiner, Mrs. Patrice
Johnson, Mrs. Yvette
Major, Miss Elnora

Back Office Operations
Baker, Miss Tarj
Johnson, Miss Clayre
Smith, Miss Toosda

Depository Department
Barr, Mr. Daneko
Delancey, Daynell
Knowles, Shakeilya
Russell, Mrs. Anastasia
Symonette, Miss Crystal

Human Resources Department
Basden, Mr. Selvin
Cash, Mrs. Annette
Dorsett, Nadia
Knowles, Mrs. Pandora
Newbold, Mrs. Keilya
Nixon, Mrs. Gloria

Training Department
Kelly, Miss Olivia
Walker, Mrs. Rochelle

Communications/ Administration Department
Burnside, Mr. Jeffery
Laing, Mrs. Karen
Rolle, Miss Desma
Rolle, Miss Shera
Sherman, Mr. Xavier O'Neil
Turnquest, Mr. Jermaine
Ward, Miss Kaye
Wilkinson, Ms. Mary

Risk Department
Christie, Miss Florence
Dean, Miss Zovia
Ferguson, Mr. David
Miller, Miss Jemma
Newry, Mr. Gamal

Marketing Department
Basden, Mr. Michael
Greene, Mrs. Xenia
Munroe, Miss Thea
Thompson, Mr. Ian

Private Banking & Trust Department
Bingham, Mrs. Dianne
Cooper, Mr. Philip
Farah, Miss Tonya
Sturrup, Miss Sinta
Beneby, Mrs. Sherry

Accounting & Finance Department
Hawkins, Miss Candice
McPhee, Miss Leashawn
Roberts, Mrs. Deshaun
Roberts, Miss Nairoshee
Rolle, Miss Sherrel
Symonette, Mrs. Tammi
Thompson, Miss Monique
Winder, Miss Nyochea
Woodside-Turnquest, Mrs. Maureen

Treasury Department
Evans, Miss Paige
Hanna, Mr. Kevin
James, Mrs. Patricia

Corporate Credit Department, Nassau Division
Bain, Mr. Kentworth
Barr, Miss Evardneke
Beneby, Mr. Earl
Bonamy, Mr. Steve
Ferguson, Mr. Stanley
Hepburn, Mrs. Gayle
McQueen, Miss Dominique
Moss, Cassandra
Percentie, Ms. Monica
Smith, Mrs. Lesley
Strachan, Mrs. Phillipier
Thompson, Mr. Dominic

GGAELS Department
Bodie, Miss Edith
Burke, Miss Donzella
Colebrooke, Miss Michaella
Davis, Mrs. Tanya

Corporate Credit, Grand Bahama & Family Islands Division
Carey, Mr. Adrian
Carey, Mr. Terrance
Perpall, Miss Michaella L. F.
Sawyer, Miss Shiann

Internal Audit
Butler, Mrs. L. Sandra
Dean, Nikera
Lewis, Mr. Jayson
Minnis, Mr. Randolph
Poitier, Miss Roseanna
Rolle, Mrs. Davine

Credit Risk Department
Barnett, Mr. Charles
Fountain, Mr. Julian
Johnson, Mr. Anthony
Rigby, Mr. Franklyn
Strachan, Miss Tamika
Urich, Mr. George Dave

Collections Department, Nassau Division

Blatch, Mrs. Elda
Bodie, Mr. George
Bryan, Mr. Curtis
Clarke, Mr. Anthony
Clarke, Mr. Silbert
Collie, Mr. Wendell
Conliffe, Mr. Nigel
Dorsett, Mr. Daryl
Eve, Miss Narissa
Forbes, Mr. Jason
Forbes, Mr. Michael
Higgs, Mr. Anton
Hinsey, Mrs. Shemeka
Knowles, Mr. Clarence
McBride, Mr. Gayland
Miller, Mrs. Charise
Newbold, Mr. Raynard
Owen, Mr. Llewellyn
Sturrup, Mr. Mordell
Taylor, Mr. Javon

Collections Department, Grand Bahama & Family Islands Division

Gray, Mr. Anton
Neely, Mrs. Suzette
Rolle, Miss Lanese
Thomas, Miss Shena
Vilbrun, Mr. Nelson

Loan Administration Department, Nassau Division

Adderley (Taylor), Mrs. Sherise
Armbrister, Miss Bianca
Cartwright, Miss Olga
Charlton, Mrs. Deborah
Cooper, Miss Joan
Dames, Mrs. Julia
Hamilton, Mrs. Sherrell
Knowles, Mr. Torri
Miller, Miss Judy
Rahming, Miss Lavonya
Roberts, Mrs. Ingrid
Saunders, Mrs. Estena
White, Mrs. Monique

Loan Administration Department, Grand Bahama Division

Charite, Mrs. Kira
Clarke, Ms. Chantel
Henfield, Miss Jennifer
Johnson, Mrs. Misty
Parker, Mrs. Lucianna

Information Technology Department

Burnside, Mr. Garvin
Evans, Mr. Shervin
Forbes, Mrs. Diana
Hepburn, Audley
Ijeoma, Mrs. Renee
Kawaguchi-Fleming, Mrs. Keiko
Laing, Mr. Dominic
Richards, Mr. Bernard
Rolle, Miss Patrice
Rolle, Mr. Wayne
Wood, Mrs. Sheena

Data Centre

Burrows, Mr. Mark
Clarke, Miss Asteen
Josey, Mrs. Alice
Peterson, Mrs. Pamela
Russell, Miss Marietta
Saunders, Mr. William
Virgil, Mr. Devaughn
White, Miss Dawn Marie

Project & Change Management

Bethel, Miss Kenva
Bowe, Dandria
Ferreira, Ms. Jillian
Penn, Mrs. Anya
Symonette, Mrs. Camille A.
Varence, Mrs. Clarice

Payment Card Centre

Bain, Alicia
Barrett, Mrs. Samantha
Basden, Miss Miriam
Bethell, Miss Shanequia
Bowe, Ricarra
Butler, Ms. Verkeisha
Clarke, Lekeisha
Collie, Miss Shakera
Dean, Mrs. Antoinette
Dean, Mrs. Gilda
Deane, Litza
Elliott, Miss Sedika
Hanna, Ms. M'khel
Johnson, Mrs. Tianya
Kemp, Shanderia
Lightbourne, Mr. Kenton
Missick, Miss Macquel
Musgrove, Ms. D'entae
Rolle, Mr. Jabari
Smith, Mr. Desario
Smith, Mrs. Tamuery

Miami Operations

Barrett, Mrs. Lechryl
Smith, Miss Brickell

Inagua Branch

Bowe, Ms. Sheena
Cartwright, Miss Marjorie
Missick, Mrs. Judith
Nixon-Darville, Mrs. Shannon
Pierre, Miss Lynette Andrea

Shirley Street Branch

Armbrister, Miss Keithra
Bastian, Miss Sharell
Beneby, Mr. Felton
Bethel, Miss Anaisha
Camille, Mr. Franky
Carter, Miss Amber
Fisher, Miss Tiffany
Hepburn, Mr. Jermaine
Lamb-Turnquest, Mrs. Samantha
McSweeney, Miss Felicia
Miller, Mr. Basil
Nixon, Miss Treniqua
Peet, Mrs. Vernincha
Seymour, Miss Vanessa
Smith, Mrs. Chivonne
Smith, Miss Shandia
Whylly, Miss Tyrese
Woodside, Miss Alexandria
Young, Mrs. Sherron
Zonicle, Miss Whilliamae

San Salvador Branch

Black, Mr. Tameco
Greene, Schkara
Maycock, Mr. Damien
Storr, Miss Ingrid
Williams, Mrs. Nyoka

Village Road Branch

Braynen, Mr. Alaasis
Braynen, Mrs. Shanovia
Carey, Miss Stacey
Culmer, Mr. Rory
Davis, Mrs. Kertorra
Ferguson, Mrs. Tamara
Ferguson, Mrs. Wendy
Forbes, Mr. Ramone
Fox, Mrs. Lillian
Higgs, Mrs. Monique
Johnson, Mr. Moses
Knowles, Miss Richenda T.
Major, Miss Laurie
McCardy, Antoinette
Mitchell, Mrs. Deborah
Morley, Mr. Jason
Mott, Mrs. Marachelle
Newton, Ms. Canderia
Oliver, Mrs. Carolyn
Outten, Miss Mia
Rolle, Miss Andrea
Small, Mrs. Florence
Thompson, Mr. Shavardo
Williams, Ms. Cheralda
Williams, Mr. Kassim
Wilson, Miss Louise

Freeport Branch
Bullard, Mrs. Sherene
Burrows, Mr. Daniel K.
Butler, Mr. Danaldo
Capron, Miss Pamela
Cash, Mrs. Aneatra
Clarke, Wenrick
Davis, Mrs. Beverley
Edwards, Mrs. Berthalee
Kelly, Ms. Monique
McGregor, Mrs. Bridgette
McIntosh, Nio-Schienique
Moxey, Mr. Clifford
Newry, Mrs. Demitra
Pierre, Ms. Lolita
Poitier, Mrs. Kamia
Pratt, Mr. Dion
Rolle-Collie, Mrs. Donnette
Russell, Mrs. Suzette
Sands, Mrs. Carolyn
Seymour, Mrs. Sonya
Thompson, Ms. Tiffany
Watkins, Miss Kenise
Whylly, Mrs. Delores
Wright, Miss Henrietta

Eight Mile Rock Service Centre
Kelly, Miss Wendy
Rahming-Bowe, Mrs. Samantha
Ritchie, Ms. Jennifer
Roberts, Tamika
Russell, Mr. Bill Clinton

Harrold Road Branch
Bain, Mrs. Shantell S.
Bowleg, Mrs. Diana
Bullard, Mr. Gregory
Clarke, Miss Dannika
Curtis, Miss Tekera
Farrington, Miss Richardette
Johnson, Mrs. Kotora
Johnson, Miss Linda
King (Saunders), Mrs. Sharmaine
Mitchell, Miss Ambrosine
Moss, Miss Nadia
Moss, Miss Nakira
Nabbie, Miss Tawana
Newbold, Miss Mitzi
Rahming, Mr. Albert
Reckley, Mrs. Julie
Roberts, Mrs. Verona
Rolle, Mrs. Suzanna
Saunders, Mrs. Nadane
Seymour, Mr. Lynden

Andros Branches
Adderley, Ms. Ruth
Greene-Symonette, Mrs. Bernice
Jones, Mrs. Lydia
Knowles, Miss Tula
Moxey, Miss Shantell
Rolle, Mr. Norris

Thompson Boulevard Branch
Adderley, Mrs. Kimberlee
Bacchus, Mrs. Gaynor
Brown, Mrs. Beatrice
Burrows, Miss Aja
Cartwright, Miss Prescola
Clarke, Mrs. Jessica
Daxon, Mr. Kevin
Gaitor, Ms. Sharlisa
Goodman, Miss Donette
Kelly, Miss Deagre
Knowles, Mrs. Berthia
Lightbourne, Ms. Davanna
Malcolm, Mrs. Chantell
Marshall, Miss Mychaelle
Moncur, Miss Marica
Nesbitt, Ms. Antoinette
Rhodriquez, Mr. John
Thompson, Miss Shorneka R.

Exuma Branch
Curtis, Miss Anniffa Janeen
Ferguson, Miss Karen
Ferguson, Miss Westralyn C.
Rolle, Miss Celcier
Romer, Mrs. Tamika
Toney, Mr. James
Williams, Mrs. Desiree

Cat Island Branch
Armbrister, Mr. Atwell
Brown, Miss Letitia
Burrows, Kjanna
King, Mrs. Anishka
Hunter, Mrs. Pertrease Monique
King, Miss Silva
Rolle-Seymour, Mrs. Cammelar

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