



FINANCIAL PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 2022

As Bank of the Bahamas Limited (the “Bank”) closes its third quarter for fiscal year 2022, the Bank remains steadfast in its ongoing operations. The impact of the Covid-19 pandemic is still influencing economies around the world however, there has been a noticeable increase in recovery initiatives. The continuous vaccination and free testing efforts have yielded positive results in the Bahamas with Covid-19 cases remaining modest resulting in the relaxation of many restrictions. This has impacted the tourism industry and by extension the reopening of businesses causing an increase in tourism numbers and consumer demands. Although we are cognizant of the potential global economic damage from the war in Ukraine and possible inflationary trends, the Bank remains positive about the future of its operations. Additionally, as global economies continue to make strides to recuperate from the impact of the Covid-19 pandemic, the Bank is also seeing signs of a recovery.

For the nine months ended March 31, 2022, the Bank recorded higher Net Income of \$5.8 million compared to a net loss of \$1.4 million for the nine months ended March 31, 2021. This is primarily due to the increase in the Bank’s total operating income of \$1.9 million (16.73%) for the current quarter and \$4.4 million (13.66%) for the current fiscal year to date, coupled with lower impairment losses by \$4.7 million (-129.49%) for the current quarter and \$3.6 million (-45.19%) year to date. The aforementioned was partially offset by an increase in operating expenses of \$0.8 million (3.06%) year to date. The increase in operating expenses year to date was a result of higher IT related expenses, as the Bank invested in system innovation and upgrades to support planned growth and strategic objectives. Other increases were also noted in occupancy and depreciation expenses as the Bank remains committed to improving its products and customer service while maintaining a safe environment for its staff and customers.

Higher total operating income year to date is driven by higher net interest and non-interest income. The increase in interest income is due to an overall growth in consumer loans which was mainly due to the impact of our loan campaigns. Additionally, income from loan fees and commission, Card fees and Merchant services fees all recorded increases during the period.

The significant decrease in net impairment losses is primarily attributable to loan recoveries recorded during the period as the Bank continues to focus on its loan collection through improved overall delinquency management.

The Bank continues to maintain a robust financial position with total assets of \$918.6 million with the composite of loans and advances of \$371.8 million (net) and cash & cash equivalents of \$238.9 million as at March 31, 2022. Total equity closed at \$164.1 million, with CET1 ratio of 38.9% which is well above the Central Bank’s minimum requirement of 9.6%. The Bank’s capital and liquidity positions remain strong.

The Bank remains persistent in making substantial developments to reach a position of sustainable profitability and remain focused on enhancing our products and services with advance technology and everyday exceptional customer service. Experience gained in responding to the pandemic will unquestionably be a mechanism for continuous changes now and in the future. During this time, we continue to be dedicated to keeping the safety and health of our stakeholders, which includes our committed and qualified BOB team of employees, our Directors, our shareholders and most importantly our loyal customers. We also take this opportunity to convey our sincerest thanks to each of them for their consistent contributions to our ongoing success.

Kenrick L. Brathwaite Sr., Managing Director