



FINANCIAL PERFORMANCE FOR THE QUARTER ENDED SEPTEMBER 30, 2015

The Bank's financial results as at September 30, 2015 posted a net loss of \$.4 million compared to a net loss of \$4.2 million for the same period in the prior year. Though encouraging, the results are still primarily driven by the level of aging non-accrual loans and diminishing collateral values within the Bank's portfolio; hence, the resultant loan loss provisions that are necessary in an environment of systemically high loan delinquencies. The Bank recognized net loan loss provisions of approximately \$2.6 million during the quarter versus \$3.7 million or 31.19% less than the provision expenses recognized in the prior year.

Total operating income for the quarter increased from prior year by approximately \$2.4 million or 31.17%, and is primarily owing to an increase of \$0.3 million in interest income, a decrease of \$0.4 million in interest expense and a \$1.4 million increase in other operating income. Deposits grew by \$9.1 million since the fiscal year ended June 2015 primarily in demand deposit products and other operating income grew by \$1.4 million due to non-recurring rent forgiveness. The Bank is cognizant of the need to curb expenditure growth, particularly with the implementation of the Value Added Tax regime, and was able to successfully reduce overall operating expenses by \$0.3 million or 3.31% for the period. The level of loan loss provisions recognized remains the major determinant to profitability and the Bank continues to actively monitor and manage its loan portfolio.

The Bank's balance sheet is strong with total assets of approximately \$821.7 million and the composite of loans and advances net, stood at \$560.8 million as at September 30, 2015. The total risk adjusted capital ratio for the Bank is within Central Bank's required guidelines, ending at 18.20% as at September 30, 2015.

Achieving operational efficiencies, sustainable growth, and dealing aggressively with our non-performing loans remain primary focuses for the Bank and despite the challenged economic environment, our outlook is positive for the medium to long term. Increased value for each of our stakeholders is still a paramount commitment. The Bank continues to take prudent steps to ensure it returns to profitability in the earliest time frame.

We are grateful to our BOB team of employees, senior management, directors, shareholders and most importantly our individual and institutional customers who have remained loyal in their continued support of the Bank.

Wayde Christie
Managing Director