

BANK OF THE BAHAMAS LIMITED
Unaudited Condensed Financial Statements
For the Quarter Ended September 30, 2025

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION

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

	September 30, 2025	June 30, 2025
ASSETS		
Cash and account with The Central Bank	\$ 131,512,552	\$ 82,407,295
Cash equivalents - Treasury Bills, net	59,692,646	54,811,907
Due from banks	79,283,019	76,736,877
Investment securities, net	130,265,730	129,150,616
Loans and advances to customers, net	501,960,693	497,607,630
Note receivable, net	165,479,063	166,837,512
Investment property	6,744,000	6,744,000
Other assets	17,006,676	13,038,842
Property and equipment, net	15,945,328	16,287,524
Right-of-use assets, net	4,659,502	5,207,497
Computer software, net	5,227,282	5,551,503
TOTAL	\$ 1,117,776,491	\$ 1,054,381,203
LIABILITIES		
Deposits from customers and banks	\$ 855,652,013	\$ 799,533,582
Other liabilities	20,268,814	16,626,151
Lease liabilities	4,780,693	5,363,242
Deferred loan fees	4,450,444	4,365,753
Total liabilities	885,151,964	825,888,728
EQUITY		
Share capital	43,194,515	43,194,515
Share premium	81,950,384	81,950,384
Treasury shares	(1,318,224)	(1,318,224)
Special retained earnings	172,122,932	172,122,932
Accumulated deficit	(63,325,080)	(67,457,132)
Total equity	232,624,527	228,492,475
TOTAL	\$ 1,117,776,491	\$ 1,054,381,203

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended September 30, 2025
with comparatives for the three months ended September 30, 2024
(Expressed in Bahamian Dollars)

	Three Months	
	2025	2024*
Interest and similar income	\$ 14,421,677	\$ 12,672,252
Interest and similar expense	(1,107,935)	(1,078,304)
Net interest income	<u>13,313,742</u>	<u>11,593,948</u>
Fees and commission income	3,917,322	3,421,634
Fees and commission expense	(82,585)	(147,363)
Net fees and commission income	<u>3,834,737</u>	<u>3,274,271</u>
Other operating income	1,242,575	1,173,507
Total operating income	<u>18,391,054</u>	<u>16,041,726</u>
Operating expenses	(12,018,238)	(11,374,603)
Net impairment losses	(2,240,764)	(365,275)
Net income	<u>\$ 4,132,052</u>	<u>\$ 4,301,848</u>
EARNINGS PER SHARE CALCULATION:		
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	<u>42,959,494</u>	<u>42,959,494</u>
EARNINGS PER SHARE	<u>\$ 0.10</u>	<u>\$ 0.10</u>

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the three months ended September 30, 2025
with comparatives for the three months ended September 30, 2024
(Expressed in Bahamian Dollars)

	Share Capital	Share Premium	Treasury Shares	Special Retained Earnings	Accumulated Deficit	Total
Balance at June 30, 2024*	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (96,293,542)	\$ 199,656,065
<i>Total comprehensive income:</i>						
Net income for the period	-	-	-	-	4,301,848	4,301,848
Balance at September 30, 2024*	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (91,991,694)	\$ 203,957,913
Balance at June 30, 2025	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (67,457,132)	\$ 228,492,475
<i>Total comprehensive income:</i>						
Net income for the period	-	-	-	-	4,132,052	4,132,052
Balance at September 30, 2025	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (63,325,080)	\$ 232,624,527

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

For the three months ended September 30, 2025
with comparatives for the three months ended September 30, 2024
(Expressed in Bahamian Dollars)

	2025	2024*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 4,132,052	\$ 4,301,848
Adjustments for:		
Interest income	(14,421,677)	(12,672,252)
Interest expense	1,107,935	1,078,304
Depreciation and amortization	1,604,996	1,493,409
Gain on revaluation of investment securities FVTPL	(105,666)	(66,282)
Impairment losses, net	2,240,764	365,275
	<u>(5,441,596)</u>	<u>(5,499,698)</u>
Changes in:		
Loans and advances to customers, net	(6,534,325)	(13,940,952)
Deposits from customers and banks	55,948,221	(19,504,237)
Other assets	(3,914,218)	3,481,815
Other liabilities	3,642,664	2,661,404
Deferred loan fees	84,691	177,050
Reserve deposit	(734,850)	181,600
	<u>48,492,183</u>	<u>(26,943,320)</u>
Interest received	15,671,061	13,626,842
Interest paid	(937,725)	(1,261,647)
Net cash provided by/(used in) operating activities	<u>57,783,923</u>	<u>(20,077,823)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(239,161)	(498,516)
Acquisition of computer software	(151,423)	(490,067)
Purchase of investment securities	(18,000,000)	(3,997,446)
Proceeds from maturity of investment securities	16,986,500	741,600
Net cash used in investing activities	<u>(1,404,084)</u>	<u>(4,244,429)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(582,551)	(595,464)
Net cash used in financing activities	<u>(582,551)</u>	<u>(595,464)</u>
Net increase/(decrease) in cash and cash equivalents	55,797,288	(24,917,716)
Cash and cash equivalents, beginning of period	183,430,852	223,229,235
Cash and cash equivalents, end of period	<u>\$ 239,228,140</u>	<u>\$ 198,311,519</u>

*Refer to Note 2.

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

For the period ended September 30, 2025
(Expressed in Bahamian Dollars)

1. Corporate Information

Bank of The Bahamas Limited (the “Bank”) is incorporated under the laws of The Commonwealth of The Bahamas and is licensed by The Central Bank of the Bahamas to conduct banking business in The Bahamas under the provisions of the Banks and Trust Companies Regulations Act, 2020. The Bank is also licensed as an authorized dealer pursuant to the Exchange Control Regulations Act.

The Bank’s shares are publicly traded and listed on The Bahamas International Securities Exchange. As at September 30, 2025, The Government of The Commonwealth of The Bahamas (the “Government”) and The National Insurance Board (“NIB”) owned approximately 82.6% of the issued common shares. The remaining common shares are owned by approximately 3,000 Bahamian shareholders.

The Bank’s head office is located at Claughton House, corner of Shirley Street and Charlotte Street, Nassau, Bahamas. The registered office is located at Sassoon House, corner of Shirley Street and Victoria Avenue, Nassau, Bahamas.

During fiscal 2025, the Bank established Agency Banking in Abaco. Effective August 1, 2025, the Bank discontinued its acceptance and processing of American Express cardholder payments under the card remittance service agreement. As at September 30, 2025, the Bank has twelve branches: four in New Providence, one in Grand Bahama, two in Andros, one in San Salvador, one in Inagua, one in Cat Island, one in Eleuthera and one in Bimini.

2. Significant Accounting Policies

The significant accounting policies and methods of computation followed in the preparation of these interim financial statements are the same as those followed in the preparation of the annual financial statements of the Bank for the year ended June 30, 2025. These financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

In fiscal 2025, the Bank dissolved all its subsidiaries, and consequently, the Statement of Financial Position is prepared on a standalone basis. While the comparative figures in The Statement of Comprehensive Income, Changes in Equity, and Cash Flows continue to be presented on a consolidated basis.

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

For the period ended September 30, 2025
(Expressed in Bahamian Dollars)

2. Significant Accounting Policies *(continued)*

The annual financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). The preparation of the 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.

3. Cash and Cash Equivalents

Cash & Cash Equivalents

	September 30, 2025	June 30, 2025
Cash	\$ 18,608,621	\$ 18,068,713
Deposits with the Central Bank- non-interest bearing	112,903,931	64,338,582
Cash and account with the Central Bank	<u>131,512,552</u>	<u>82,407,295</u>
Cash equivalents - Treasury Bills	59,727,949	54,847,210
Due from banks	<u>79,283,019</u>	<u>76,736,877</u>
Cash, cash equivalents and due from banks	270,523,520	213,991,382
Less: Mandatory reserve deposits with the Central Bank	<u>31,295,380</u>	<u>30,560,530</u>
Total cash and cash equivalents	<u>\$ 239,228,140</u>	<u>\$ 183,430,852</u>

Government issued Treasury Bills are presented in the consolidated statement of financial position, net of \$35,303 (June 30, 2025: \$35,303) allowance for impairment losses.

As at September 30, 2025, the Bank’s statutory reserve deposits with The Central Bank of The Bahamas were above Central Bank’s regulatory requirement.

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

For the period ended September 30, 2025
(Expressed in Bahamian Dollars)

4. Loans and advances to customers, net

	September 30, 2025	June 30, 2025
Mortgage residential loans	\$ 216,800,437	\$ 216,895,833
Mortgage commercial loans	4,578,718	4,454,953
Commercial loans	74,190,534	74,867,291
Consumer loans	216,538,680	211,448,973
Government	15,358,491	16,393,800
Credit cards	3,864,449	3,808,623
Business overdrafts	2,034,593	1,768,258
Personal overdrafts	331,706	170,943
	\$ 533,697,608	\$ 529,808,674
Less: Provision for loan losses		
Provision at beginning of year	\$ 34,155,901	\$ 37,537,890
Amount written-off/charged off	(2,645,392)	(201,746)
Impairment losses/(reversals), net	2,240,764	(3,180,243)
Provision at end of period	33,751,273	34,155,901
Accrued interest receivable, net	2,014,358	1,954,857
Loans and advances to customers, net	\$ 501,960,693	\$ 497,607,630
Provisions as a percentage of the gross loan portfolio	6.32%	6.45%
Non-accrual loans as a percentage of loan portfolio (net)	5.93%	7.33%
Non-accrual loans as a percentage of loan portfolio (gross)	5.58%	6.88%

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Selected Explanatory Notes to the Unaudited Condensed Financial Statements

For the period ended September 30, 2025
(Expressed in Bahamian Dollars)

5. Note Receivable, net and Special Retained Earnings

On August 31, 2017, Bahamas Resolve Limited (“Resolve”), a special purpose vehicle owned and controlled by the Government, purchased another portfolio of loans from the Bank at a price equivalent to the gross book value of those loans before provisions. This transaction consisted of three tranches and the results are as follows:

- Non-performing loans with a total net book value of approximately \$50.6 million was derecognized. Unsecured promissory note of \$167.7 million was received and \$117.1 million was recognized directly in equity as Special Retained Earnings.
- The Bank has transferred all of its rights and obligations relating to the non-performing loans to Resolve without recourse and will have no rights to future cash flows from the non-performing loans.
- The Bank received an irrevocable Letter of Support from the Government.
- In fiscal 2023, the maturity date of August 31, 2022 was extended to August 31, 2025 at 4% fixed interest rate with quarterly interest payments. In September 2023, the interest rate was changed to 3% with semi-annual interest payment at the end of February and August. In December 2024, the maturity date was further extended to August 31, 2027 with fixed interest rate changed to 3.25%, along with principal payments of \$2 million commencing November 30, 2025.
- Accrued interest receivable as at September 30, 2025 amounted to \$0.5 million (June 30, 2025: \$1.8 million). Provision for impairment losses amounted to \$1.7 million as at September 30, 2025 (June 30, 2025: \$1.7 million).

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Selected Explanatory Notes to the Unaudited Condensed Financial Statements

For the period ended September 30, 2025
(Expressed in Bahamian Dollars)

6. Regulatory Capital

The Bank's total regulatory capital consists of the sum of total Common Equity Tier 1 capital only, net of regulatory adjustments. CET1 plus capital buffers must be at least 18% and the minimum leverage ratio must be at 6%. The Bank remains compliant with total regulatory capital at 41.4% as at September 30, 2025 (June 30, 2025: 42.0%) and leverage ratio of 18.9% as at June 30, 2025 (June 30, 2025: 20.6%).

7. Commitments and Contingencies

Commitments

The commitment for loans and advances at September 30, 2025 was \$99.9 million (June 30, 2025: \$28.7 million).

The commitment for capital expenditures at September 30, 2025 was \$0.2 million (June 30, 2025: \$0.5 million).

The commitment for letters of credit and guarantees at September 30, 2025 was \$3.5 million (June 30, 2025: \$3.6 million)

Contingencies and Provision

The Bank operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Bank is involved in various litigation proceedings in the ordinary course of its business. The Bank has internal and external legal counsel, and formal controls and policies for managing legal claims. With the benefit of professional legal advice, the Bank provides and/or discloses amounts in accordance with its accounting policies.