

BANK OF THE BAHAMAS LIMITED
Unaudited Condensed Financial Statements
For the Quarter Ended March 31, 2026

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION

As at March 31, 2026 with comparative figures as at June 30, 2025
(Expressed in Bahamian Dollars)

	March 31, 2026	June 30, 2025
ASSETS		
Cash and account with The Central Bank	\$ 118,401,801	\$ 82,407,295
Cash equivalents - Treasury Bills, net	81,112,546	54,811,907
Due from banks	100,725,103	76,736,877
Investment securities, net	164,307,732	129,150,616
Loans and advances to customers, net	553,977,220	497,607,630
Note receivable, net	164,797,022	166,837,512
Investment property	6,744,000	6,744,000
Other assets	16,619,817	13,038,842
Property and equipment, net	16,087,865	16,287,524
Right-of-use assets, net	4,653,808	5,207,497
Computer software, net	4,962,664	5,551,503
TOTAL	<u>\$ 1,232,389,578</u>	<u>\$ 1,054,381,203</u>
LIABILITIES		
Deposits from customers and banks	\$ 958,501,827	\$ 799,533,582
Other liabilities	20,172,131	16,626,151
Lease liabilities	4,803,107	5,363,242
Deferred loan fees	5,195,329	4,365,753
Total liabilities	<u>988,672,394</u>	<u>825,888,728</u>
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	(52,232,423)	(67,457,132)
Total equity	<u>243,717,184</u>	<u>228,492,475</u>
TOTAL	<u>\$ 1,232,389,578</u>	<u>\$ 1,054,381,203</u>

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended March 31, 2026
with comparatives for the nine months ended March 31, 2025
(Expressed in Bahamian Dollars)

	Three Months		Nine Months	
	2026	2025*	2026	2025*
Interest and similar income	\$ 15,318,430	\$ 12,738,446	\$ 44,386,122	\$ 39,187,252
Interest and similar expense	(1,180,197)	(1,074,363)	(3,042,144)	(3,216,284)
Net interest income	<u>14,138,233</u>	<u>11,664,083</u>	<u>41,343,978</u>	<u>35,970,968</u>
Fees and commission income	4,885,247	3,732,082	12,670,949	10,964,518
Fees and commission expense	(104,758)	(124,744)	(277,796)	(330,973)
Net fees and commission income	<u>4,780,489</u>	<u>3,607,338</u>	<u>12,393,153</u>	<u>10,633,545</u>
Other operating income	1,245,608	1,566,524	3,673,472	4,130,874
Total operating income	<u>20,164,330</u>	<u>16,837,945</u>	<u>57,410,603</u>	<u>50,735,387</u>
Operating expenses	(11,779,281)	(11,933,180)	(37,080,426)	(35,656,164)
Net impairment reversals/(losses)	706,449	(387,908)	(2,527,898)	(2,143,100)
Net income	<u>\$ 9,091,498</u>	<u>\$ 4,516,857</u>	<u>\$ 17,802,279</u>	<u>\$ 12,936,123</u>
EARNINGS PER SHARE CALCULATION:				
COMMON SHARES	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>	<u>42,959,494</u>
EARNINGS PER SHARE	<u>\$ 0.21</u>	<u>\$ 0.11</u>	<u>\$ 0.41</u>	<u>\$ 0.30</u>

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2026
with comparatives for the nine months ended March 31, 2025
(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	-	-	-	-	12,936,123	12,936,123
Dividends paid to common shareholders	-	-	-	-	(859,190)	(859,190)
Balance at March 31, 2025*	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (84,216,609)	\$ 211,732,998
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	-	-	-	-	17,802,279	17,802,279
Dividends paid to common shareholders	-	-	-	-	(2,577,570)	(2,577,570)
Balance at March 31, 2026	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (52,232,423)	\$ 243,717,184

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2026
with comparatives for the nine months ended March 31, 2025
(Expressed in Bahamian Dollars)

	2026	2025*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 17,802,279	\$ 12,936,123
Adjustments for:		
Interest income	(44,386,122)	(39,187,252)
Interest expense	3,042,144	3,216,284
Depreciation and amortization	4,624,947	4,541,634
Gain on revaluation of investment securities FVTPL	(284,241)	(290,384)
Gain on disposal of property and equipment	(5,700)	-
Impairment losses, net	2,527,898	2,143,100
	<u>(16,678,795)</u>	<u>(16,640,495)</u>
Changes in:		
Loans and advances to customers, net	(58,250,377)	(57,985,606)
Deposits from customers and banks	159,508,567	28,258,303
Other assets	(3,466,446)	(2,791,104)
Other liabilities	3,545,980	3,485,561
Deferred loan fees	829,576	334,718
Reserve deposit	(3,391,220)	(299,970)
	<u>98,776,080</u>	<u>(28,998,098)</u>
Interest received	44,610,275	39,682,177
Interest paid	(3,582,466)	(3,144,220)
Net cash provided by/(used in) operating activities	<u>123,125,094</u>	<u>(9,100,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(1,441,826)	(8,179,633)
Acquisition of computer software	(828,506)	(1,940,259)
Purchase of investment securities	(76,300,000)	(28,000,000)
Proceeds from maturity of investment securities	41,672,500	24,866,800
Proceeds from disposal of property and equipment	5,700	-
Net cash used in investing activities	<u>(36,892,132)</u>	<u>(13,253,092)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(1,572,561)	(1,651,264)
Dividends paid on common shares	(2,577,570)	(859,190)
Redemption of notes receivable	889,658	506,255
Net cash used in financing activities	<u>(3,260,473)</u>	<u>(2,004,199)</u>
Net increase/(decrease) in cash and cash equivalents	82,972,489	(24,357,927)
Cash and cash equivalents, beginning of period	183,430,852	223,229,235
Cash and cash equivalents, end of period	<u>\$ 266,403,341</u>	<u>\$ 198,871,308</u>

*Refer to Note 2.

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

For the period ended March 31, 2026
(Expressed in Bahamian Dollars)

1. Corporate Information

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

The Bank’s shares are publicly traded and listed on The Bahamas International Securities Exchange. As at March 31, 2026, 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 March 31, 2026, 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 until June 30, 2025.

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

For the period ended March 31, 2026
(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. Dividends

Dividends to the Bank’s shareholders are recognized as a liability in the period in which they are declared by the Board of Directors and approved by the Bank’s Regulator. The Bank declared dividends of \$0.03 per share on each dividend payment dates of November 13, 2025 and March 26, 2026, totaling \$2.6 million to its common shareholders during the year (June 30, 2025: \$1.7 million).

4. Cash and Cash Equivalents

	March 31, 2026	June 30, 2025
Cash	\$ 24,988,960	\$ 18,068,713
Deposits with the Central Bank- non-interest bearing	93,412,841	64,338,582
Cash and account with the Central Bank	<u>118,401,801</u>	<u>82,407,295</u>
Cash equivalents - Treasury Bills	81,228,187	54,847,210
Due from banks	<u>100,725,103</u>	<u>76,736,877</u>
Cash, cash equivalents and due from banks	300,355,091	213,991,382
Less: Mandatory reserve deposits with the Central Bank	<u>33,951,750</u>	<u>30,560,530</u>
Total cash and cash equivalents	<u>\$ 266,403,341</u>	<u>\$ 183,430,852</u>

Government issued Treasury Bills are presented in the consolidated statement of financial position, net of \$115,641 (June 30, 2025: \$35,303) allowance for impairment losses.

As at March 31, 2026, 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 March 31, 2026
(Expressed in Bahamian Dollars)

5. Loans and advances to customers, net

	March 31, 2026	June 30, 2025
Mortgage residential loans	\$ 221,088,796	\$ 216,895,833
Mortgage commercial loans	4,493,672	4,454,953
Commercial loans	83,991,959	74,867,291
Consumer loans	248,486,880	211,448,973
Government	18,526,065	16,393,800
Credit cards	4,217,406	3,808,623
Business overdrafts	2,148,270	1,768,258
Personal overdrafts	476,178	170,943
	\$ 583,429,226	\$ 529,808,674
Less: Provision for loan losses		
Provision at beginning of year	\$ 34,155,901	\$ 37,537,890
Amount written-off/charged off	(4,629,825)	(201,746)
Impairment losses/(reversals), net	2,693,336	(3,180,243)
Provision at end of period	32,219,412	34,155,901
Accrued interest receivable, net	2,767,406	1,954,857
Loans and advances to customers, net	\$ 553,977,220	\$ 497,607,630
Provisions as a percentage of the gross loan portfolio	5.52%	6.45%
Non-accrual loans as a percentage of loan portfolio (net)	4.97%	7.33%
Non-accrual loans as a percentage of loan portfolio (gross)	4.71%	6.88%

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

For the period ended March 31, 2026
(Expressed in Bahamian Dollars)

6. Note Receivable, net and Special Retained Earnings

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

- Non-performing loans with a total net book value of approximately \$50.6 million was derecognized. Unsecured promissory note of \$167.7 million was received and \$117.1 million was recognized directly in equity as Special Retained Earnings.
- The Bank has transferred all of its rights and obligations relating to the non-performing loans to Resolve without recourse and will have no rights to future cash flows from the non-performing loans.
- The Bank received an irrevocable Letter of Support from the Government.
- In fiscal 2023, the 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 March 31, 2026 amounted to \$0.5 million (June 30, 2025: \$1.8 million). Provision for impairment losses amounted to \$1.5 million as at March 31, 2026 (June 30, 2025: \$1.7 million).

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Selected Explanatory Notes to the Unaudited Condensed Financial Statements

For the period ended March 31, 2026
(Expressed in Bahamian Dollars)

7. Regulatory Capital

The Bank's total regulatory capital consists of the sum of total Common Equity Tier 1 capital only, net of regulatory adjustments. CET1 plus capital buffers must be at least 18% and the minimum leverage ratio must be at 6%. The Bank remains compliant with total regulatory capital at 41.0% as at March 31, 2026 (June 30, 2025: 42.0%) and leverage ratio of 17.9% as at March 31, 2025 (June 30, 2025: 20.6%).

8. Commitments and Contingencies

Commitments

The commitment for loans and advances at March 31, 2026 was \$122.8 million (June 30, 2025: \$28.7 million).

The commitment for capital expenditures at March 31, 2026 was \$0.2 million (June 30, 2025: \$0.5 million).

The commitment for letters of credit and guarantees at March 31, 2026 was \$3.6 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.