BANK OF THE BAHAMAS LIMITED

Unaudited Condensed Financial Statements

For the Year Ended June 30, 2026

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION

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

	June 30, 2026	June 30, 2025
ASSETS		
Cash and account with The Central Bank	$ 78,336,547	$ 82,407,295
Cash equivalents - Treasury Bills, net	81,513,334	54,811,907
Due from banks	124,421,802	76,736,877
Investment securities, net	167,773,287	129,150,616
Loans and advances to customers, net	597,459,759	497,607,630
Note receivable, net	166,013,686	166,837,512
Investment property	7,112,000	6,744,000
Other assets	28,350,536	13,038,842
Property and equipment, net	15,631,837	16,287,524
Right-of-use assets, net	5,248,956	5,207,497
Computer software, net	4,931,811	5,551,503
TOTAL	**$ 1,276,793,555**	**$ 1,054,381,203**
LIABILITIES		
Deposits from customers and banks	$ 994,856,815	$ 799,533,582
Other liabilities	19,918,458	16,626,151
Lease liabilities	5,377,597	5,363,242
Deferred loan fees	5,528,052	4,365,753
Total liabilities	**1,025,680,922**	**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	(44,836,974)	(67,457,132)
Total equity	**251,112,633**	**228,492,475**
TOTAL	**$ 1,276,793,555**	**$ 1,054,381,203**

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended June 30, 2026
with comparatives for the twelve months ended June 30, 2025
(Expressed in Bahamian Dollars)

	Three Months 2026	Three Months 2025*	Twelve Months 2026	Twelve Months 2025*
Interest and similar income	$ 15,925,215	$ 14,232,275	$ 60,311,338	$ 53,699,526
Interest and similar expense	(1,312,489)	(1,084,107)	(4,354,634)	(4,347,284)
Net interest income	**14,612,726**	**13,148,168**	**55,956,704**	**49,352,242**
Fees and commission income	3,722,894	3,355,128	16,393,843	14,319,646
Fees and commission expense	(91,203)	(88,847)	(368,999)	(419,820)
Net fees and commission income	**3,631,691**	**3,266,281**	**16,024,844**	**13,899,826**
Other operating income	1,452,124	1,213,306	5,125,596	5,064,180
Total operating income	**19,696,541**	**17,627,755**	**77,107,144**	**68,316,248**
Operating expenses	(12,096,466)	(4,343,088)	(49,176,892)	(40,708,678)
Net impairment reversals/(losses)	1,084,159	2,499,297	(1,443,739)	2,947,220
Net income	**$ 8,684,234**	**$ 15,783,964**	**$ 26,486,513**	**$ 30,554,790**
EARNINGS PER SHARE CALCULATION:				
COMMON SHARES	**42,959,494**	**42,959,494**	**42,959,494**	**42,959,494**
EARNINGS PER SHARE	**$ 0.20**	**$ 0.37**	**$ 0.62**	**$ 0.71**

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended June 30, 2026
with comparatives for the twelve months ended June 30, 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
Total comprehensive income:						
Net income for the year	-	-	-	-	30,554,790	30,554,790
Dividends paid to common shareholders	-	-	-	-	(1,718,380)	(1,718,380)
Balance at June 30, 2025*	**$ 43,194,515**	**$ 81,950,384**	**$ (1,318,224)**	**$ 172,122,932**	**$ (67,457,132)**	**$ 228,492,475**
Balance at June 30, 2025	$ 43,194,515	$ 81,950,384	$ (1,318,224)	$ 172,122,932	$ (67,457,132)	$ 228,492,475
Total comprehensive income:						
Net income for the year	-	-	-	-	26,486,513	26,486,513
Dividends paid to common shareholders	-	-	-	-	(3,866,355)	(3,866,355)
Balance at June 30, 2026	**$ 43,194,515**	**$ 81,950,384**	**$ (1,318,224)**	**$ 172,122,932**	**$ (44,836,974)**	**$ 251,112,633**

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

For the twelve months ended June 30, 2026
with comparatives for the twelve months ended June 30, 2025
(Expressed in Bahamian Dollars)

	2026	2025*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 26,486,513	$ 30,554,790
Adjustments for:		
Interest income	(60,311,338)	(53,699,526)
Interest expense	4,354,634	4,347,284
Depreciation and amortization	6,069,929	6,054,445
Reversal for legal provision	-	(6,874,132)
Gain on revaluation of investment securities FVTPL	(473,942)	(393,011)
Gain on revaluation of investment property	(368,000)	-
Loss on disposal of property and equipment	3,356	-
Impairment losses, net	1,443,739	(2,947,220)
	(22,795,109)	(22,957,370)
Changes in:		
Loans and advances to customers, net	(102,802,056)	(92,723,561)
Deposits from customers and banks	195,480,952	31,425,948
Other assets	(15,013,934)	4,902,212
Other liabilities	3,292,307	1,120,211
Deferred loan fees	1,162,299	745,301
Reserve deposit	(4,571,550)	(1,905,420)
	77,548,018	(56,435,309)
Interest received	59,487,217	53,591,746
Interest paid	(4,512,353)	(4,508,059)
Net cash provided by/(used in) operating activities	109,727,773	(30,308,992)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(1,641,939)	(8,550,558)
Acquisition of computer software	(1,127,116)	(2,283,547)
Purchase of investment securities	(104,300,000)	(41,600,218)
Proceeds from maturity of investment securities	66,273,218	45,491,200
Proceeds from disposal of property and equipment	5,700	-
Repayment of notes receivable	2,278,147	1,012,510
Proceeds from sale of investment securities	428,276	394,933
Net cash used in investing activities	(38,083,714)	(5,535,680)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(2,061,654)	(2,235,331)
Dividends paid on common shares	(3,866,355)	(1,718,380)
Net cash used in financing activities	(5,928,009)	(3,953,711)
Net increase/(decrease) in cash and cash equivalents	65,716,050	(39,798,383)
Cash and cash equivalents, beginning of year	183,430,852	223,229,235
Cash and cash equivalents, end of year	**$ 249,146,902**	**$ 183,430,852**

*Refer to Note 2.

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 June 30, 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 June 30, 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, 2026. 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.

(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, March 26, 2026 and June 19, 2026, totaling $3.9 million to its common shareholders during the year (June 30, 2025: $1.7 million).

4. Cash and Cash Equivalents

	June 30, 2026	June 30, 2025
Cash	$ 21,949,600	$ 18,068,713
Deposits with the Central Bank- non-interest bearing	56,386,947	64,338,582
Cash and account with the Central Bank	78,336,547	82,407,295
Cash equivalents - Treasury Bills	81,520,633	54,847,210
Due from banks	124,421,802	76,736,877
Cash, cash equivalents and due from banks	284,278,982	213,991,382
Less: Mandatory reserve deposits with the Central Bank	35,132,080	30,560,530
Total cash and cash equivalents	**$ 249,146,902**	**$ 183,430,852**

Government issued Treasury Bills are presented in the consolidated statement of financial position, net of $7,299 (June 30, 2025: $35,303) allowance for impairment losses.

As at June 30, 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 year ended June 30, 2026
(Expressed in Bahamian Dollars)

5. Loans and advances to customers, net

		June 30, 2026		**June 30, 2025**
Mortgage residential loans	$	222,085,256	$	216,895,833
Mortgage commercial loans		4,389,647		4,454,953
Commercial loans		109,988,268		74,867,291
Consumer loans		258,846,608		211,448,973
Government		24,948,192		16,393,800
Credit cards		4,074,904		3,808,623
Business overdrafts		2,910,698		1,768,258
Personal overdrafts		473,354		170,943
	$	**627,716,927**	**$**	**529,808,674**
Less: Provision for loan losses				
Provision at beginning of year	$	34,155,901	$	37,537,890
Amount written-off/charged off		(4,891,954)		(201,746)
Impairment losses/(reversals), net		3,302,372		(3,180,243)
Provision at end of period		32,566,318		34,155,901
Accrued interest receivable, net		2,307,301		1,954,857
Loans and advances to customers, net	**$**	**597,457,910**	**$**	**497,607,630**
Provisions as a percentage of the gross loan portfolio		5.19%		6.45%
Non-accrual loans as a percentage of loan portfolio (net)		4.54%		7.33%
Non-accrual loans as a percentage of loan portfolio (gross)		4.32%		6.88%

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 June 30, 2026 amounted to $1.8 million (June 30, 2025: $1.8 million). Provision for impairment losses amounted to $0.2 million as at June 30, 2026 (June 30, 2025: $1.7 million).

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 17% and the minimum leverage ratio must be at 6%. The Bank remains compliant with total regulatory capital at 41.5% as at June 30, 2026 (June 30, 2025: 42.0%) and leverage ratio of 18.0% as at June 30, 20256 (June 30, 2025: 20.6%).

8. Commitments and Contingencies

Commitments
The commitment for loans and advances at June 30, 2026 was $94.0 million (June 30, 2025: $28.7 million).

The commitment for capital expenditures at June 30, 2026 was $2.5 million (June 30, 2025: $0.5 million).

The commitment for letters of credit and guarantees at June 30, 2026 was $6.2 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.