



## **FINANCIAL PERFORMANCE FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

In the past several years, we continued the journey to create a better Bank of the Bahamas working towards sustainable profitability, positive returns for our investors and financial stability for all of our stakeholders. After 5 years of consecutive net losses, the Bank returned to profitability during its fiscal year 2018, continued in the fiscal year 2019, and during this current fiscal year 2020, the Bank recorded net income of \$0.5 million for the first quarter ended September 30, 2019. Our focus remains providing more sustainable growth opportunities to ensure the Bank's success over the long term and to build a brand that restores trust, empowers customers and promotes responsible banking.

Total operating income increased by \$0.8 million or 8.30% for the quarter, explained largely by higher net interest income, partially offset by lower net non-interest income. The positive variance in net interest income was primarily due to an increase in interest revenue by \$0.6 million primarily from consumer loans interest income as a result of the Bank's consumer loans campaign, and lower interest expense by \$0.3 million due to certain interest rates reduction and the continued shift in the deposit portfolio composition from higher yielding to lower yielding deposit products. The Bank's net non-interest income decreased by \$0.1 million or 4.06% mainly due to lower other operating income, despite higher fees and commission income. The Bank recorded increases in its operating expenses by \$0.8 million or 11.24% parallel with its initiative to support the planned growth. While net credit loss expense of \$2.7 million was recognized for the quarter ended September 30, 2019 compared to \$1.1 million net credit loss expense for the quarter ended September 30, 2018 as the Bank recorded the provision impact of the recent hurricane to its credit portfolio and the IFRS 9 provision impact related to the overall portfolio growth.

The Bank continues to maintain a strong financial position with total assets of \$815.5 million and the composite of loans and advances, net of \$341.4 million as at September 30, 2019. The Bank's liquidity position also remained strong as its cash and cash equivalents stood at \$177.6 million. The Bank's key capital ratios continued to be in compliance with regulatory requirements, with CET1 Ratio of 41.1%, well above the Central Bank's minimum requirement of 9.6%. The Bank's total equity closed at \$162.0 million, higher than the June 30, 2019 balance of \$161.5 million, due to the net income of \$0.5 million reported for the period.

We are grateful to our BOB team of employees, management, directors, shareholders and most importantly our customers for their continued support of the Bank.

Kenrick Brathwaite  
Managing Director