2024

ANNUAL REPORT

fruition

BOB
Bank of Solutions.

BOB

Vision

The Best and Most Respected Financial Enterprise in The Bahamas. We aim to be the best at what we do. Being the best means expecting and demanding more of ourselves, reaching higher, always improving, always innovating and delivering better than anyone else.

Mission

We will achieve our vision by: Working together to consistently provide exceptional customer experience and superior financial solutions.

Core Values

LEADERSHIP, EXCELLENCE, ATTITUDE AND ETHICS, PEOPLE DEVELOPMENT, TEAMWORK.

Our values are the driving force for all that we do. They influence and direct every decision, every transaction and all our relationships. They make us who we are.

ANNUAL REPORT 2024

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IF YOU REALLY
LOOK CLOSELY,
MOST OVERNIGHT
SUCCESSES
TOOK A LONG TIME."
– Steve Jobs

fruition

Achieving success in business can be compared to the growth of a fruit tree, unfolding through a series of critical phases.

In the early stages, just like planting a tree, the focus is on building a strong core structure to support future development. Just as roots anchor the tree and draw nutrients from the soil, a well-developed foundation is crucial for a business to thrive.

With the foundation set, the business begins to grow rapidly. This phase resembles a tree's vigorous growth period, where it starts reaching towards the sky. Strategic planning and diligent execution drive this growth, propelling the business toward its goals.

However, sometimes, progress is interrupted by unforeseen challenges or obstacles. These disruptions are similar to a tree facing harsh weather or pests, which can temporarily hinder its growth. Such interruptions require careful attention and problem-solving to overcome.

After dealing with interruptions, the business must adapt its strategies. This phase is similar to a tree receiving pruning or adjustments to its care routine. By making necessary changes and fine-tuning plans, the business can continue on its path to success.

As the company achieves accelerated growth and overcomes previous hurdles, it moves towards market leadership.

Like the fruit tree, during the past five years, Bank of The Bahamas Limited has strengthened its foundation, overcome challenges and reached a point of accelerated growth. And now, the Bank's current phase mirrors the tree producing fruit. The visible success reflects years of hard work and preparation, with ongoing efforts required to maintain and build upon this success.

Just as we often only see the towering tree and its fruit without realizing the hidden work of its roots, the journey from hopeful beginnings to a thriving enterprise is a demonstration of the power of persistence, careful planning, and continuous growth. Now it is possible to enjoy the fruits of one's labour while planting the seeds for a greater future harvest.

The journey continues...

DONNA HARDING-LEE
CHAIRMAN

I am pleased and honored to report that the Bank has experienced a year of extraordinary growth, fulfilling our strategic objectives and delivering accelerated performance.

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased and honored to report that the Bank has experienced a year of extraordinary growth, fulfilling our strategic objectives and delivering accelerated performance. For the fiscal year ended June 30, 2024, we achieved an impressive 73% increase in net income, reaching $19.7 million, compared to $11.4 million the previous year. This achievement reflects the fruition of our carefully planned strategies and the tireless efforts of our entire team.

Our success this year was driven in part by significant loan growth, particularly in the retail banking segment, where we saw a 21% or $27.0 million increase in consumer loans. Additionally, an aggressive sales approach, coupled with improved operating efficiency in our credit processes, resulted in a solid $4.7 million increase in overall operating income. Interest income from reinvesting our excess liquidity and strong non-interest revenue, particularly from merchant services and card products, were also major contributors to our performance.

Another critical factor in our success has been the outstanding efforts of our Collections and Recovery teams, whose diligent work on delinquency management led to a significant $5.8 million net impairment reversal, compared to a $3.2 million net impairment loss in the prior year. Their relentless focus on recovering outstanding debts and the improved economic environment contributed greatly to this positive outcome.

This year, we implemented a number of initiatives that fueled our growth, including the launch of a Debit Card program, the opening of a Mortgage Center, and the relaunch of our enhanced Online Banking Platform. Furthermore, we hosted key sales events, such as Mortgage Fairs and Auto Shows, which significantly boosted our visibility and customer engagement. Through strategic partnerships and focused growth initiatives, the Bank is well placed to pursue eventual market leadership.

The Bank's financial strength remains robust, with total assets standing at $998.5 million and total equity at $199.7 million. In recognition of our strong performance, we were pleased to pay dividends twice during the fiscal year, rewarding shareholders for their continued support.

Looking forward, we are confident that the Bank is well prepared to capitalize on future opportunities. I would like to extend my heartfelt thanks to our dynamic Executive Management Team, my esteemed Board Colleagues, our dedicated staff, our loyal shareholders, and our valued customers. Your unwavering support has been instrumental in our success, and we remain committed to delivering even greater value in the years ahead.

Sincerely,

Donna Harding-Lee
Chairman

As we look ahead, we are committed to sustaining this momentum by focusing on digital innovation and maintaining our customer-centric approach.

NEIL T. STRACHAN
MANAGING DIRECTOR

MANAGING DIRECTOR'S REPORT

Dear Shareholders,

It is my pleasure to share with you the exceptional results the Bank has achieved for the fiscal year ended June 30, 2024. This year has been nothing short of transformative, marked by a remarkable 73% increase in net income to $19.7 million, compared to $11.4 million in the previous year. Our strategic initiatives have not only been fully realized but have also exceeded our expectations, leading to this tremendous success.

A key driver of this performance has been our aggressive sales strategy, particularly within the retail banking sector, which resulted in consumer loan growth of 21%, or $27 million. The strategic placement of our excess liquidity, along with an increased customer base and favorable market conditions, further bolstered interest income. Our credit process flow enhancements have played a pivotal role in improving operating efficiency, while our Collections and Recovery teams have worked tirelessly to reduce impairments, contributing significantly to the bottom line.

We have also launched several initiatives to expand our offerings and enhance the customer experience. During the year, we successfully launched our Debit Card distribution, opened a dedicated Mortgage Center, and relaunched an enhanced Online Banking Platform for retail clients. Our sales campaigns and events, including Mortgage Fairs and Auto Shows, have strengthened customer engagement and credit growth. These efforts, combined with strategic partnerships, fueled a $4.7 million increase in operating income, with interest income alone contributing $4.2 million.

While we achieved exceptional results, we faced challenges in managing rising operating expenses, which increased by $5.4 million. These costs were driven by higher employee expenses, regulatory fees, and IT investments, reflecting our commitment to better serve our customers through continued investment in our infrastructure and technology.

Our financial position remains strong, with total assets standing at $998.5 million and net loans and advances to customers at $401.4 million. Our capital ratio (CET1) of 43.4% remains well above regulatory requirements, and total equity closed at $199.7 million.

As we look ahead, we are committed to sustaining this momentum by focusing on digital innovation and maintaining our customer-centric approach. I would like to express my deepest gratitude to our Board of Directors, Executive Management team, staff, shareholders, and, most importantly, our valued customers, who have been integral to our success. Together, we are well-positioned for continued growth and prosperity.

Sincerely,

Neil T. Strachan

Neil T. Strachan
Managing Director

BOB

BOARD OF DIRECTORS

Pictured L-R (Standing): Taran Mackey, Director; Dywan Rodgers, Director; Neil Strachan, Managing Director; Timothy Brown, Director; Errol Mckinney, Deputy Chairman; and Whitney Patton, Director **(Seated)** Anastasia Ferguson-Pratt, Director; and Donna Harding-Lee, Chairman.

EXECUTIVE MANAGEMENT

"FAR AND AWAY THE BEST PRIZE THAT LIFE OFFERS IS THE CHANCE TO WORK HARD AT WORK WORTH DOING."
– Theodore Roosevelt

Pictured L-R:
Richenda King, Chief Human Resources Officer; **Jihanne Hosmillo-Williams**, Chief Financial Officer; **Neil Strachan**, Managing Director; **Charlene Paul**, Chief Operating Officer; **Elgin Smith**, Chief Technology Officer.

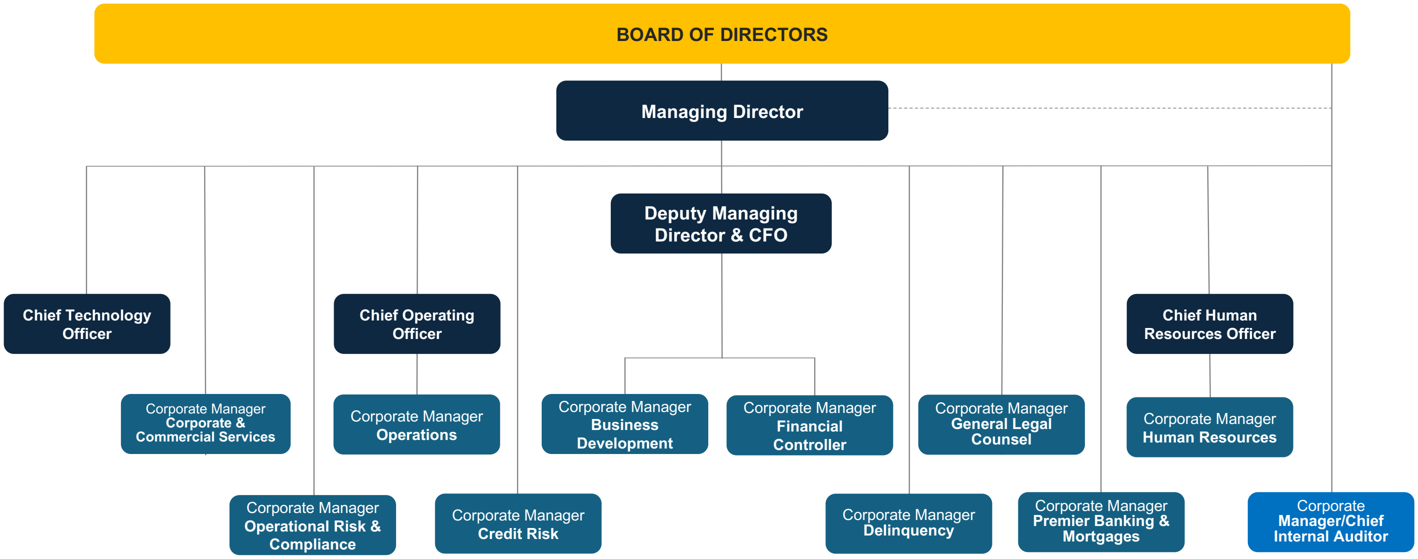
CORPORATE MANAGEMENT

Pictured from l-r: Maureen Woodside-Turnquest, Financial Controller/Corporate Manager, Finance; Katrina Pinder, Corporate Manager, Operational Risk and Compliance; Ian Thompson, Corporate Manager, Delinquency Management; Indira Deal-Sands, Corporate Manager, General Legal Counsel; Renay Miller, Corporate Manager, Operations; Tamasaine Emmanual, Corporate Manager, Premier Banking & Mortgages; Tanya Astwood, Corporate Manager, Human Resources; and Earl Beneby, Corporate Manager, Corporate & Commercial Banking; Marvin Clarke, Corporate Manager, Credit Risk (not pictured); and Sherene Saunders, Corporate Manager, Internal Audit and Chief Internal Auditor (not pictured).

BOB EXECUTIVE OFFICE ORGANIZATIONAL CHART

SENIOR MANAGEMENT

Pictured from l-r: Kendrick Stubbs, Senior Manager, Compliance and MRLO; Jillian Ferreira, Senior Manager, Business Service; Laura Williams, Senior Manager, Corporate Affairs; Elnora Major, Senior Manager, Operations Support; Frank Thurston, Senior Manager, IT; Clarice Varence, Senior Manager, Operations Administration; and Pedro Burrows, Senior Manager, Credit Risk. Not pictured: Nina Knowles, Senior Manager, Internal Audit and Kelvin Briggs, Senior Manager – Sales, Business Development.



KEY INITIATIVES & ACHIEVEMENTS:

During fiscal 2024 The Bank was successful in implementing numerous initiatives across multiple areas.

OPERATIONS, INFRASTRUCTURE & TECHNOLOGY

OBDX (BOB Online) Personal accounts Retail Online Banking was relaunched with enhancements including:

- Card loads
- Credit card payments
- Wire transfers – local and international
- Standing instructions

CUSTOMER CARE UNIT UPGRADES

The Customer Care Unit underwent critical upgrades to improve efficiency and service delivery including:

- Avaya Telephone System Upgrade
- ACCS platform upgrade
- Call Center App upgrade

VISA DEBIT CARD

Software and hardware requirements were installed and tested for launch of the new Visa Debit Card which was launched in two phases:

- Debit card (Staff) – **January 2024**
- Debit card (General) – **February 2024**

INTERNAL AUDIT

A TeamMate Upgrade was executed to optimize internal audit workflows.

NEWGEN INTELLIGENT BUSINESS SUITE

The NewGen Rollout continued to enable online loan and account opening including:

- NewGen CLOS (Corporate Loan Origination) Phase I - **October 2023**
- NewGen CLOS Phase II enhancements - **May 2024**
- NewGen ECM (Electronic Content Manager) – **October 2023**
- NewGen AO (Online Account Opening) Test mode – **May 2024**

Infrastructure network upgrades replaced old hardware with new robust hardware to increase security while building redundancy with both internet service providers.

Offsite ATM Expansion continued with introduction of:

- A second ATM at The Bahamas Development Bank – **October 2023**
- Porky's Service Station ATM, East Street South – **November 2023**
- Sawyer's Fresh Market ATM, located in Lucaya, Grand Bahama – **January 2024**

BUSINESS DEVELOPMENT

The Newgen CLOS (Corporate Loan Origination System) Module was launched in October 2023, enabling online loan applications possible for Corporate and Commercial clients and optimizing the processing of Corporate Loans.

A Dedicated Mortgage Center opened in December 2023 to provide personalized attention and customized solutions for mortgage clients.

The Contactless Visa Debit Card was launched to the public in February 2024 to provide customers with enhanced convenience, 24/7 access to funds and additional payment options.

The Newgen AO (Online Account Opening) Customer Portal soft launch occurred in May 2024 enabling secure online account opening by the public via the Bank's Corporate Website.

Terms and Conditions were revised for all products and services.

SIGNIFICANT SALES

Mortgage Sales increased as a result of the opening of the Mortgage Center in December 2023 and a subsequent successful Mortgage Fair held at the JFK Drive premises in March 2024.

Auto loans also received a significant boost from participation in several car shows and the staging of the Bank's own Automania Car Show at JFK Drive in June 2024.

The Business Development Team made Sales Visits to selected Family Islands which resulted in additional revenues. These island visits included Andros, Cat Island and Eleuthera.

New revenues streams were also realized as a result of the Visa Debit Card Launch.

PARTNERSHIPS

The Bank partnered with the Central Bank to Launch its Live Digital Campaign to promote increased acceptance of Digital Banking products and participated in a press conference and media appearances during Live Digital Week in May 2024. Business Development also partnered with FIRSTCARE Medical Plan Ltd. to offer the low cost FIRSTCARE Medical Plan to BOB customers including access to Free Primary Care doctor visits and other discounted Healthcare services and rewards.

PEOPLE DEVELOPMENT

The HR and Employee Engagement initiatives included a range of programs aimed at fostering a positive work environment and supporting employee well-being.

Fireside Chat Series:
Sessions covering core values, mental health awareness, financial updates, autism awareness, and Alzheimer's awareness were held. Additional sessions included Class Care and a financial update with the CFO.

Rewards & Recognition Program:
This program was conducted across branches and departments, with guidelines discussed with managers. A formal end-of-year Employee Rewards and Recognition event was also held.

Onboarding Enhancements:
New Hire Welcome Kits were launched, and surveys were initiated to assess onboarding effectiveness. HR conducted onboarding and reward & recognition guidelines sessions.

Compensation and Benefits Sessions:
These sessions were held both in-person and virtually for employees across various locations.

Employee Engagement Activities:
Activities included Coffee with Leadership sessions, a general staff meeting, participation in community events, and celebrations for Mother's Day and Father's Day.

Health and Wellness Initiatives:
Included mental health awareness, Alzheimer's awareness activities, a colon cancer prevention seminar, and the distribution of wellness flyers for various health-related themes.

HR Visits and Dress Code Sessions:
HR visits promoted informal rewards and recognition programs, and dress code sessions were held across branches.

LEARNING & DEVELOPMENT INITIATIVES

Leadership and Management Training:
Training sessions such as "Influence ME to WE Leadership Mastermind" and the "Live to Lead" leadership event were conducted for managers and potential successors.

Launch of Mini Learning Centers:
Mini Learning Centers were launched at various branch locations, with plans to expand to additional branches.

Commercial Credit Training:
Training sessions were held to enhance employees' commercial credit skills.

ALL GAS. NO BRAKES!

BUSINESS DEVELOPMENT'S YEAR OF EXCEPTIONAL GROWTH

BUSINESS DEVELOPMENT TEAM. Pictured from left to right: (Standing) **Paige Maycock,** Assistant Manager, Business Development; **Rochelle Thompson-Walker,** Assistant Manager, Marketing; **Shaunte Ferguson-Coakley,** Business Development Coordinator; **Dominique Thompson,** Manager, Marketing; **Kelvin Briggs**, Senior Manager, Business Development – Sales; **(Seated) Brethel Lightfoot,** Marketing and Graphics Coordinator; Marketing; and **Chiquita Bowleg,** Customer Experience Analyst.

NET INCOME
↑ 73%

CONSUMER LOANS
↑ 21%

NET NON-INTEREST REVENUE
↑ $0.5M


Jihanne Hosmillo-Williams, CFO

The Business Development Unit helped lead the Bank to an outstanding year of growth and innovation in Fiscal 2024. The Department's aggressive sales strategy, spearheaded by a highly motivated team, enabled the Bank to exceed its ambitious targets and deliver record-breaking financial performance. This success was made possible through the determined efforts of the Branch Sales teams and was supported by key internal units, including Marketing, Customer Experience, CRM, Credit Adjudication, and Loans Administration. Together, these units pursued opportunities and expanded services to enhance customer satisfaction and financial results.

According to Jihanne Hosmillo-Williams, Chief Financial Officer, whose responsibilities include Accounting and Finance, Treasury and Business Development, "This year, we set ambitious targets and surpassed them. The team's hard work, determination, and commitment to excellence have driven us to new heights, and I would like to thank and applaud each team member for their remarkable achievements."

KEY FINANCIAL ACHIEVEMENTS

The Branch Sales Teams recorded new loans and advances of 42% higher than prior year and more than 100% of the annual target. Carmichael Road Branch emerged with the highest value of new loans and advances recorded followed closely by JFK Branch. Interest Income for loans and advances to customers increased by 11%.

STRATEGIC INITIATIVES AND PARTNERSHIPS

Throughout the year, the Business Development Unit embarked on strategic projects to enhance service offerings and customer convenience. The implementation of Newgen across the entire branch network was completed and the Sand Dollar pilot launch was held at Carmichael Branch in September 2023. Furthermore, the Debit Card roll-out began with a pilot phase and then a full roll-out by February 2024.

Key campaigns throughout the year included "Summer Splash" during the months of June to September 2023 followed by the "Be Merry and Win" Christmas Campaign through January 2024 and the "Go For It" spring campaign. Promotional events included the "Welcome Home" Mortgage Fair in March 2024 and Automania in June 2024, plus the annual BMDA car show held in October.

The Business Development Department's Roving Team was officially instituted in October 2023 and since then had held several sales initiatives on different family island locations across Andros, Bimini, Cat Island, Eleuthera and San Salvador. The Roving Team also facilitated financial fairs and product promotion sessions; and forged several strategic partnerships to broaden its offerings.

BOOSTING SALES THROUGH CUSTOMER ENGAGEMENT

The Customer Experience Unit endeavors to offer best-in-class customer experience at all service touch points in the Bank. To facilitate this, the Unit performs quarterly branch audits which focus on branch environment and aesthetics; a quarterly internal customer experience survey which helps evaluate the performance and service quality of back-office teams; and regular tracking and monitoring of customer metrics like net promoter score and complaints logs.

This year's achievements reflect the Bank's ongoing dedication to growth and customer-centered service, with the Business Development Unit charting a course toward sustained success.

New BOB MORTGAGE CENTER
Paves Way for Affordable Homeownership

Bank of The Bahamas Limited (BOB) officially opened its dedicated Mortgage Center on December 6, 2023, a pivotal step towards making home ownership accessible to more Bahamians. The opening ceremony took place at the Center's state-of the-art premises at the Carmichael Road Commercial Center in the heart of southwestern New Providence.

According to Managing Director Neil Strachan, the opening of The BOB Mortgage Center is a strategic move to enhance the delivery of mortgage services. It is designed to centralize and streamline mortgage application processing for a seamless, customer-centric experience that emphasizes personalized attention and efficiency from initiation to completion.

Edward Strachan
Senior Manager, Mortgages

"At BOB, we're committed to making homeownership a reality. The Mortgage Center is a crucial step in that direction and today's opening is about building futures and creating spaces where families will grow and flourish," said Mr. Strachan

Led by Edward Strachan, Senior Manager, Mortgages, the BOB Mortgage Center offers competitive mortgage rates and a professional team dedicated to guiding customers through every step of the homebuying process. From first-time homebuyers to experienced real estate investors, the Mortgage Center caters to diverse community needs.

BOB prioritizes accessible homeownership through low down payment options, flexible terms, and competitive interest rates while a commitment to customization also ensures clients receive personalized solutions. The Bank has reduced financial barriers by providing a secure pathway to homeownership with as little as 5% down, empowering individuals to achieve their dream of owning a home and fostering economic stability and growth within the community.

BOB MORTGAGE CENTER TEAM. Pictured l-r; **Alexandra Cooper,** Mortgage Coordinator; **Gloriann Brathwaite**, Mortgage Officer; **Tamasaine Emmanuel**, Corporate Manager, Premier Banking & Mortgages; **Monique Beckles**, Mortgage Coordinator; **Jerial Gould,** Mortgage Officer; **Robynn Thurston**, Assistant Manager Sales; and **Angel Stevenson**, Assistant Manager Administration.

OFFICIAL OPENING OF BOB MORTGAGE CENTER – (Pictured from l-r):
Archdeacon the Venerable Keith Cartwright; Edward Strachan, Senior Manager, Mortgages, BOB; **Donna Harding-Lee**; Chairman of the Board, BOB; and **Neil Strachan,** Managing Director, BOB.

BOB Photo by Donald Knowles.

VISA DEBIT CARD *Launch:*

A Collaborative Journey To Enhanced Convenience

In February 2024, Bank of The Bahamas Limited launched its Contactless Visa Debit Card, a product that reflects months of collaborative effort and meticulous planning. This initiative marks a significant milestone for the Bank, expanding its offerings and enhancing the convenience and accessibility of banking services for its customers.

A COLLABORATIVE APPROACH TO DEVELOPMENT

The journey to bring the Visa Debit Card to life was a multi-departmental effort, blending the expertise of the Project Management Team, Card Services, IT, Operations, Marketing, UAT and Operational Risk Departments. This collaborative approach ensured that the card would not only be functional and secure but also visually appealing and aligned with the Bank's customer centric focus.

The card design process was especially thorough, involving numerous rounds of input from stakeholders across the Bank. The team opted for an attractive vertical card design, featuring the vibrant deep blue hues of Bahamian waters. Beyond aesthetics, the card includes advanced features such as contactless technology and an EMV chip, enhancing security and ease of use.

ENSURING A SEAMLESS AND SECURE EXPERIENCE

Security and functionality were top priorities throughout the project. EMV chip technology provides a high level of protection against fraud while contactless payment capabilities further enhance the card's convenience, enabling customers to make quick and easy transactions at millions of merchant locations.

The Bank's commitment to excellence led to an extensive testing phase that included both technical and real-world testing. The rollout began with an internal release to Bank staff, allowing for in-depth testing and troubleshooting in a controlled environment. After this successful initial phase, the program expanded to include staff family members and friends. This phased rollout enabled the Bank to gather valuable feedback and make adjustments, ensuring the final product would meet customer needs and expectations.

CONVENIENT, 24/7 ACCESS TO FUNDS

With the Visa Debit Card now available to all customers, Bank of The Bahamas offers an enhanced level of convenience and flexibility in managing everyday finances. The card provides 24/7 access to funds, making it easier for customers to shop, pay bills, and access their money whenever they need it. The new Visa Debit Card also introduces expanded payment options, which support both online and in-store purchases, allowing customers greater financial freedom and ease.

A PRODUCT ROOTED IN CUSTOMER-CENTERED INNOVATION

The Visa Debit Card is available at all Bank home branches, providing a quick and seamless transition for customers eager to take advantage of its features. With this launch, Bank of The Bahamas has not only introduced a functional and secure product but has also delivered a piece of Bahamian pride that customers can carry with them every day.

Alexandria Dean,
Project Manager,
Debit Card
Inplementation

Aliah Thurston,
Employee of
The Year Award

Focus on CORE VALUES AT BOB EXCELLENCE AWARDS

In January 2024 Bank of The Bahamas hosted its annual Excellence Awards at Fusion Superflex, where outstanding employees were recognized for their fiscal year 2023 contributions across several categories, including the distinguished Employee of the Year award. The night was filled with celebration, special performances by top musicians and comedians, and a cocktail reception that brought together management and staff in a festive atmosphere.

The highlight of the evening was the keynote address delivered by Mrs. Charlene Paul, Chief Operating Officer, Bank of The Bahamas Limited. Speaking under the theme "Core Values," Mrs. Paul emphasized the importance of these guiding principles for both personal and organizational success.

SMALL BRANCH OF THE YEAR -- Inagua Branch (l-r) Jihanne Hosmillo-Williams, CFO; **Marjorie Cartwright,** Officer-in-Charge, Inagua Branch; and **Dometrius Taylor,** Senior Service Representative; Inagua Branch.

"We have determined a number of core values, and I just want to highlight a few for our consideration tonight," she began, pointing to leadership as a critical element. Drawing from leadership expert John Maxwell, she reminded the audience that "everything rises and falls on leadership." However, she stressed that leadership is not confined to a role or title but is instead an attribute that every individual can embody. "Each and every one of us are leaders, responsible for our own spheres of influence, and we must take ownership of that."

Excellence was another core value Mrs. Paul discussed in detail, noting that it goes beyond appearances or external success. "Excellence goes beyond how we look or dress," she explained. "It's about delivering on our promises to our stakeholders and adding value beyond what is expected. To achieve true excellence, you must begin by understanding who you are, being confident in your potential, and bringing the best version of yourself to the table every day."

Mrs. Paul also spoke about the importance of attitude, stating that a positive mindset, combined with integrity, is essential to achieving success. "Attitude is a choice, and it must come from a spirit of excellence. You cannot claim to be excellent and have a bad attitude—they don't go together."

One of the closing points in her speech focused on people development. "People are our greatest competitive advantage. As a company and as a nation, we have been able to grow by valuing people," she said. "Treating others with respect and integrity is key to building a strong, successful organization."

The event concluded with Mrs. Paul reiterating her call to action for 2024: "No more excuses, no more apologies—this is the year we fix what needs to be fixed."

With an evening full of inspiration and celebration, Bank of The Bahamas set a strong foundation for success in 2024, driven by a commitment to its core values. The Excellence Awards were planned and executed by The Human Resources Department with participation and assistance of many staff.

EXCELLENCE AWARDS WINNERS FOR FISCAL YEAR 2023

ACCOUNT OPENING OFFICER OF THE YEAR
Bradine Ferguson

SALES CATEGORY: TOP PERFORMER FOR HIGHEST NUMBER OF LOANS BOOKED
Kayshala Rolle-Mackey

SALES CATEGORY: TOP PERFORMER FOR HIGHEST LOANS DOLLAR VALUE
Kotora Johnson

DELINQUENCY OFFICER OF THE YEAR
Monique White

TELLER OF THE YEAR AWARD
Alintonya Byer

CUSTOMER SERVICE EXCELLENCE AWARD
Andrea Fowler, Assistant Manager, Card Services

DEPARTMENT OF THE YEAR
Operational Risk DepartmenT

LEADERSHIP & PEOPLE DEVELOPMENT AWARD
Amber Carter, Assistant Manager, Credit Risk

TEAMWORK AWARD
Darshana Deal. Operations Support Analyst (no longer employed with the Bank)

ATTITUDE & ETHICS AWARD
Shenae Munroe, Customer Service Representative

SMALL BRANCH OF THE YEAR
Inagua Branch

LARGE BRANCH OF THE YEAR
Carmichael Road Branch

EMPLOYEE OF THE YEAR
Aaliah Thurston, Teller Supervisor

Carmichael Road Branch – Branch of The Year

DEPARTMENT OF THE YEAR - The Operational Risk Unit Team (l-r) **; Nathaniel Brown**, Risk Officer; **Katrina Pinder**, Corporate Manager, Operational Risk and Compliance; **Nicole Morley**, Assistant Manager, Business Continuity; **Sophia Burrows**, Assistant Manager; **Tera Cox**, Assistant Manager, Credit Monitoring; and **Jamal Bullard**, Information Security Officer, ORU.

OPERATIONAL RISK UNIT NAMED "DEPARTMENT OF THE YEAR"

The Operational Risk Unit delivered exceptional performance throughout fiscal year 2023, earning the prestigious title of Department of the Year in The Bank's Excellence Awards held in January 2024. Under the leadership of Ms. Katrina Pinder, Corporate Manager of Operational Risk and Compliance, the team effectively mitigated risks, enhanced operational efficiency and surpassed its targets across multiple risk categories, including operational, credit monitoring, and IT risk., solidifying their role as an invaluable asset to the Bank.

The Department's efforts included comprehensive operational risk reviews, credit risk assessments, and IT risk evaluations. Additionally, the unit conducted thorough investigations that resulted in numerous recommendations, directly contributing to cost savings and operational improvements. These efforts significantly reduced the Bank's exposure to fraud, operational deficiencies, and reputational risks.

Key contributions of ORU included:

- Played a direct role in restructuring units, which led to a reduction in headcount, streamlining operations, and saving the Bank substantial costs.
- Identified instances of revenue leakage and recommended corrective measures that prevented further financial losses.
- Involvement in updating key policies led to a reduction in fraud risk and improved operational efficiency, particularly in areas such as cash monitoring, teller discrepancies, and ATM management.

ORU was also instrumental in several high-profile projects and initiatives:

- It supported the Compliance Unit in meeting key regulatory deadlines set by the Central Bank of The Bahamas (CBoB), ensuring the Bank's adherence to stringent regulatory standards.
- ORU's involvement in projects like Newgen and OBDX significantly improved customer service and operational performance Bank-wide.
- The Unit's efforts contributed to a 92% reduction in outstanding operational issues in the Branch Operations Department, streamlining processes across the network.

The success of ORU is rooted in its collaborative approach. The unit worked closely with other key departments, including Credit Risk Management, Business Development, Merchant Services, and Branch Operations, to drive critical financial and operational initiatives. Their interventions were crucial in user access cleanup projects across multiple platforms, improving system security and operational integrity. The department also played an instrumental role in enhancing staff competencies through targeted training programs, empowering employees across the Bank to better manage risks and effectively respond to incidents.

Despite the challenges faced throughout the year, ORU remained focused and delivered outstanding results. The team's efforts in addressing fraud risk helped shield the Bank from substantial financial losses and potential reputational damage. ORU's exceptional performance has had a profound impact on the Bank's overall operations, risk management, and financial health. Their proactive approach to risk reviews, commitment to teamwork, and dedication to excellence made them the deserving recipient of the Department of the Year award.

JA COMPANY RISES TO THE CHALLENGE *Of Commerce*

In October 2023, thirty-five students were selected to be a part of a Junior Achievement Company to be sponsored by Bank of The Bahamas Limited. These students named the Company BOB Rise and over the course of the 2023-24 JA Year they were exposed to principles of business and entrepreneurship, and provided with numerous opportunities to showcase their creativity, drive and business acumen.

BOB volunteer advisors also focused on enhancing the student's financial literacy and developing their confidence and speaking abilities. The program lasted for an intense 25 weeks and included hands-on experience in starting a business from funding to product development, marketing and sales to reporting and liquidation.

This year the students created and sold a Jenga inspired game named Rise 'n Fall along with inspirational tumblers and shades (Blockers).

Some other highlights for the students were:

- Attending a STEM summit and workshop
- Participating in the JA/Toastmasters Bahamas New Providence speech competition. Five (5) students made it to the semi-finals and of those participants, three (3) advanced to the finals. The final outcome saw success for BOB RISE members as the President, Lester Arnett, captured the 1st place award while C.O.O. Marcus Nabbie won the 3rd place award. Lester went on to represent New Providence in the Nationals against students from throughout the Bahamas and walked away as the overall winner for the JA Bahamas speech competition.

The 2023-24 JA year concluded with the JA awards in which a number of BOB RISE Achievers were recognized including:

- **MORGAN MILLER** - Most Distinguished Officer for Production
- **MARCUS SMITH** - 2nd for Most Distinguished Officer-Public Relations
- **LESTER ARNETT** - 3rd for Most Distinguished Officer- President

Also in the Top 10 for Most Distinguished Achiever were Lester Arnett – 2nd place, Marcus Nebbie, 6th place and Morgan Miller, 10th place.

The Management and Staff of Bank of The Bahamas Limited congratulate BOB RISE for their many successes and thank the Advisory Team of BOB Volunteers for their selfless commitment to Junior Achievement.

JA Speech Competition Winners -- Lester Arnett, 1st place New Providence and Nationals; **Marcus Nabbie**, 3rd place New Providence.

BOB IN THE COMMUNITY

MOE Chess in Schools Initiative

Junkanoo Group Sponsorships

Donation to REACH Respite Care

Bank of The Bahamas continues to actively contribute to the development of the communities it services. In Fiscal 2024 BOB sponsored a range of worthy causes and non-profit organizations. Included among these were:

- IACP Police Conference
- Ministry of Education's Chess in Schools Initiative
- Charlotte Knowles-Thompson College Fair
- Partnership with Kiwanis Club of Nassau to assist Children's Emergency Hostel
- Unity House Donation for Groceries & Toiletries
- Physically Challenged Children
- ROC's Mirror Mirror Sustainable Social Justice Mentorship Programme
- REACH Christmas Party
- REACH Respite Care
- REACH Autism Awareness Walk & Purchase of T-Shirts for Staff
- Saxons, Roots, One Family & Genesis Junkanoo Group
- Police Breast cancer month Tea & Coffee Day
- Links Tropical Gala Fundraiser
- Red Cross Ball Half Page Ad
- RCN and RCSN Weather Webinar
- Theta Epsilon Zeta (Nassau) Chapter partnership to assist CV Bethel School
- Don't Blink Homerun Derby
- 2023/24 Boxing Day & New Year's Paradies on Broadcasting Corporation of The Bahamas
- Hoopfest in Paradise
- More 94 FM Secret Santa
- FOAM Christmas Hope Initiative
- Grand Bahama Business Outlook
- Eleuthera Chamber of Commerce Eleuthera Financial Services Symposium
- Sir Franklyn Wilson JCN Person of The Year
- BaCADAS Disability Fundraiser
- Love That Child Pizza Party for Children of Ranfurly
- 50th Anniversary Documentary (Female Trailblazers in Accounting)
- Central Bank's 50th Anniversary Publication Ad (by Jones Communications)
- BOB Volunteers at Red Cross Fair
- North Andros Farmer's Market

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) Of Financial Position And Results Of Operations For Financial Year End June 30, 2024

This MD&A should be read in conjunction with the audited consolidated financial statements of the Bank included in this Annual Report.

FINANCIAL HIGHLIGHTS

	2024	2023	2022	2021	2020
Interest and Similar Income	$47.96	$43.76	$40.96	$40.10	$41.69
Net Interest Income	$43.40	$39.20	$35.40	$33.32	$34.82
Net Non-Interest Income	$16.83	$16.30	$13.70	$10.85	$11.94
Operating Expenses	$46.33	$40.90	$36.94	$35.63	$32.91
Impairment (Reversals)/Losses, net	$(5.76)	$3.22	$0.36	$4.80	$21.70
Net Income/(Loss)	$19.66	$11.38	$11.80	$3.73	$(7.30)
Earnings/(Loss) per Share (EPS)	$0.46	$0.26	$0.27	$0.09	$(0.17)
Total Assets	$998.50	$952.02	$985.27	$903.01	$821.95
Loans and Advances to Customers, net	$401.42	$372.31	$368.59	$388.66	$370.45
Total Liabilities	$798.84	$771.16	$815.58	$744.54	$667.86
Total Shareholders Equity	$199.66	$180.85	$169.69	$158.47	$154.10
Share Closing Price	$4.34	$4.00	$2.51	$1.44	$1.78
Common Equity Tier 1 (CET1) Capital Ratio	43.4	44.7	38.9	36.1	37.5
Efficiency Ratio*	76.92	73.70	75.23	80.68	70.38

$ amounts are stated in Millions. The EPS and Share Price in $, and Capital and Efficiency Ratios are %.

OVERVIEW

SUSTAINABILITY. PROGRESSION. FRUITION.

In recent years the global and domestic economies saw triumphs and losses. With the Covid-19 pandemic behind us, and with resilience, both economies are ultimately showing signs of recovery and sustainability. Progression is seen with the steady improvement in employment conditions, particularly in the construction and tourism sectors, and the growth of the tourism industry within the domestic economy. Notwithstanding inflation and rising oil prices both locally and globally, continued progress is seen in the nation's decreasing deficit, rising revenue, ongoing tourism growth and internal economy. According to summarized remarks in Central Bank of the Bahamas Quarterly Economic Review June 2024, "…economic indicators are reverting closer to the expected medium-term potential, indications are that the domestic economy continued to expand…".

Bank of the Bahamas (the "Bank") has achieved exceptional results for its fiscal year ended June 30, 2024, with net income of $19.7 million, compared to $11.4 million in the previous year. With a 72.75% increase in net income, the Bank has reported a banner year performance. This is supported by strong revenue growth in retail banking, asset quality, and credit production.

Throughout the fiscal year, the Bank has consistently delivered operational results while maintaining liquidity and capital ratios that significantly exceeded the minimum regulatory requirements. Notably during the fiscal year, the Bank opened its Mortgage Center, commenced with its debit cards distribution, and relaunched its improved online banking platform for retail customers. The Bank also held successful sales campaigns like the Mortgage Fair and Automania, and hosted other credit growth initiatives. The Bank's financial performance was also enhanced by strong Collections and Recovery activities. However, in line with growing and streamlining its operations within the banking sector, the Bank also recorded higher operating expenses.

…the Bank has reported a banner year performance.

INCOME OF $19.7 MILLION

72.75% INCREASE IN NET INCOME

Strategic Planning Team

INTEREST AND SIMILAR INCOME

Interest and similar income for the year ended June 30, 2024 was $4.2 million or 9.61% higher than prior year, largely attributed to the Bank's lending initiatives and campaigns. This was reinforced by placement of its excess liquidity in short-term and long-term local government securities and higher interest-bearing USD money market instruments and nostro accounts as the interest rates in the US market continued to rise.

INTEREST AND SIMILAR EXPENSE

Interest and similar expense remained steady in both years at $4.6 million owing to a stabilized growth in deposit products with shorter terms/lower interest rates that are more readily available to the depositors.

NET NON-INTEREST INCOME

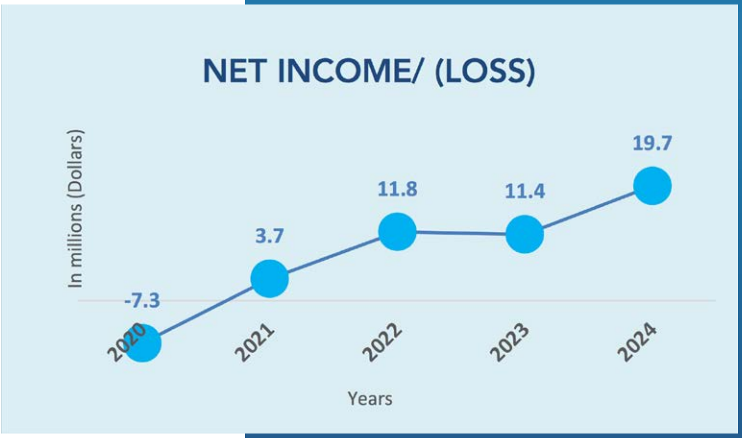
Net non-interest income consists of the Bank's fees and commission income and expense from its card products, deposits and credit services, including other income. These supplementary revenue streams contributed a positive variance of $0.5 million or 3.30% year to date, essentially on fees associated with our merchant services and card services as the Bank saw growth in its merchant services client-base, launched its debit cards and continued to encourage consumers to embrace the transition to digital banking.

NET IMPAIRMENT REVERSALS

Net impairment reversals of $5.8 million was recorded year to date compared to net impairment losses of $3.2 million during the prior fiscal year, a decrease of $9.0 million. For the fiscal year ended June 30, 2024, the Bank's net impairment reversals consisted of net credit reversals on loans and advances of $5.1 million and impairment reversals on other financial assets of $0.6 million. While the prior year recognized net credit loss expense on loans and advances and impairment losses on other financial assets.

Net Credit Reversals On Loans And Advances

Net credit reversals year to date consisted of $5.8 million in recoveries minimally offset by total credit loss expense of $0.7 million. The credit loss was $5.1 million or 87.38% lower than prior fiscal year primarily due to the improvements in the



unemployment rate and default rate along with the continuous growth in the tourism sector, thereby resulting in enhanced credit asset quality. Total recoveries during the year were higher compared to prior year, reflecting an increase by $0.9 million or 17.67% mainly due to the rigorous efforts of the Bank's delinquency management team. The recovery and remediation initiatives remain top priority for the Bank.

Impairment Reversals On Other Financial Assets

Impairment reversals of $0.6 million was recorded during the current year, compared to impairment losses of $2.4 million in the prior year when the Bahamas' credit rating was downgraded by Moody's in October 2022. This reversal shows the subsequent stabilizing of the domestic economy.

OPERATING EXPENSES

Total operating expenses of $46.3 million was $5.4 million or 13.29% higher than prior year. This was mostly attributable to increases in depreciation/amortisation due to the opening of the new Mortgage Centre, continuous improvements to our branches, and installation of new Offsite ATM's to better serve our customers. Additional drivers of this variance included the distribution of our new Debit Cards, relaunch of enhanced Online Banking Platform for retail clients and upgrades to the Bank's systems and platforms.

Information technology expenditures to support customer service initiatives and improve core banking procedures were also noted to have increased, as were staff costs as a result of incentive programs and merit increases. Additionally, banking license fees, business licenses and other fees also climbed.

TOTAL ASSETS

Total assets stood at $998.5 million, an increase of $46.5 million or 4.88% compared to the prior year's total assets of $952.0 million. The Bank's loans and advances to customers increased by $29.1 million or 7.82% owing to loan portfolio growth stemming from mortgage and consumer loan campaigns held throughout the year and the resumption of the Bank's commercial lending segment, alongside stronger delinquency management of non-performing loans resulting in lower provisions. Investment securities grew by $26.2 million or 24.54% as a result of increased purchases in low risk and conservative securities and mutual funds. Due from banks also increased by $9.3 million or 11.14% and cash equivalents Treasury bills increased by $5.8 million or 9.42% to ensure that the Bank's liquidity position is sufficient and available to fund the growth in its loan portfolio and its operations.

Cash and account with the Central Bank decreased by $19.1 million or 17.35%, mainly attributable to Bank's expansion efforts and ongoing upgrades to its core banking systems and processes and launching of new products. Other assets declined by $4.4 million or 19.93% largely due to movement from a bond fund subscription to investment securities, partially offset by a prepayment for a subscription in preference shares as part of the Bank's investment strategy plan.

TOTAL LIABILITIES

Total liabilities stood at $798.8 million, an increase of $27.7 million or 3.59% compared to prior year's total liabilities of $771.2 million. Deposits from customers and banks, which account for approximately 96.17% of total liabilities, increased by $30.1 million or 4.08% year over year. The Bank noted significant increases in savings and demand deposit products, while term deposits reflected a more moderate decline. Given the persistent rise in inflation and the escalated costs of business operations, organizations are focused on improving cash flow management and consumers are more likely to prefer having their funds readily available when needed. Conversely, other liabilities decreased by $1.8 million or 7.57% due to vendor payments and lower cardholder liability to Social Services as the recipients utilized the benefit amounts.

TOTAL SHAREHOLDERS' EQUITY

The Bank's total equity closed at $199.7 million, $18.8 million or 10.40% higher than the preceding year's balance of $180.9 million, principally accredited to the $19.7 million net income reported for the year ended June 30, 2024. With these exceptional results, we are thrilled to announce that net income has increased for the fourth consecutive year. On another positive note, the Bank declared and paid two dividend payments to its shareholders during the fiscal year compared to only one dividend payment in the prior year. Moreover, the Bank's share price increased from $4.00 in the prior year and closed at $4.34 as of June 30, 2024, an increase of 8.5%. These strong financial results personifies the Bank's continued evolvement and demonstrates assurance in the Bank's performance by its customers and the public.

The Bank's key capital ratios surpassed the regulatory requirements, with the Bank's CET1 ratio at 43.4% (2023: 44.7%), well above the Central Bank's minimum requirement of 18%.

CONCLUSION

During the fiscal year 2024, the Bank of the Bahamas team has proven their dedication to securing the Bank's prosperity by overcoming formidable obstacles and achieving remarkable outcomes. The Bank's top priorities remain customer-centric programs, ongoing digital innovation, and sustainable growth. Although the Bank's journey is far from over, it demonstrates its tenacity and resolve. We will continue our growth that enhances value for years to come. We are grateful to our employees, customers and stakeholders, and remain dedicated to increasing value for all.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Independent auditors' report

To the Shareholders of Bank of The Bahamas Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Bank of The Bahamas Limited and its subsidiaries (together 'the Bank') as at June 30, 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Bank's consolidated financial statements comprise:

- the consolidated statement of financial position as at June 30, 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, 2 Bayside Executive Park, West Bay Street & Blake Road, P.O. Box N-3910, Nassau, Bahamas T: + 1 242 302 5300, F: + 1 242 302 5350, www.pwc.com/bs

Our audit approach

Overview

- Overall group materiality: $1,940,000 which represents approximately 1% of net assets.

- The consolidated group consists of Bank of The Bahamas Limited and its wholly owned subsidiaries Multi-Card Services Ltd., West Bay Property Holdings Ltd. and BOB Property Holdings Ltd., all incorporated and registered in The Bahamas. The audit engagement team was the auditor for Bank of The Bahamas Limited and its subsidiaries.
- A full scope audit was performed on all entities in the group.

- Inputs and assumptions used in the Stage 1 and Stage 2 expected credit loss (ECL) model.
- Credit impaired (Stage 3) real estate collateralised loans.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Bank, the accounting processes and controls, and the industry in which the Bank operates. All audit procedures were performed by PricewaterhouseCoopers Bahamas.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

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Overall group materiality	$1,940,000
How we determined it	Approximately 1% of net assets
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Bank is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit & Finance Committee that we would report to them misstatements identified during our audit above $97,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Inputs and assumptions used in the Stage 1 and Stage 2 expected credit loss (ECL) model *Refer to notes 4(d), 7, and 32 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at June 30, 2024, the Bank reported total Stage 1 and Stage 2 gross loans and advances to customers of $392.4 million, with an allowance for expected credit losses of $9 million. The Bank's ECL model requires significant management judgement in determining the relevant assumptions. These assumptions include: ● Probabilities of default (PD): This represents the likelihood that the borrower will default on its obligation over the next twelve months or over the remaining lifetime of the obligation. To determine the PD for loans and advances to customers, the Bank uses the historical days past due data to develop a transition matrix by product type, which is adjusted by forward-looking information. ● Loss given default (LGD): LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies	Our approach, with the assistance of our internal specialists, involved the following procedures, amongst others, over the inputs and assumptions used in the Stage 1 and Stage 2 ECL model: ● Obtained an understanding of management's ECL model including the relevant data inputs, assumptions and methodology. ● Evaluated the appropriateness of the Bank's ECL model methodology, data integrity and model performance in comparison to the Bank's accounting policy and the relevant IFRS Accounting Standards. ● Evaluated the design and tested the operating effectiveness of the relevant controls, including the automated calculation of days past due used to determine the PD rate in the ECL model. ● On a sample basis, tested the date of default and the maturity date to the terms of the underlying contracts and recalculated the number of days past due.

by type of counterparty, type and seniority of claim and availability of collateral or other credit support. ● Forward-looking assumptions: Management's determination of the forward-looking assumptions incorporates unemployment rates and Gross Domestic Product (GDP) growth rates as well as the probability weightings applied to them. We focused on this area as a result of the complexity and estimation uncertainty in the above assumptions, which form part of management's judgement and significantly impacts the result of the ECL model.	● Assessed the competence and objectivity of management's appointed real estate appraisers to determine whether they are appropriately qualified and independent of the Bank. ● On a sample basis, compared the collateral values recorded by management to the independent valuation appraisal reports. ● Compared the key assumptions used by management's real estate appraisers, being comparable sales, to actual comparable sales. ● Agreed unemployment rates and GDP growth rates used by management in the forward-looking information to externally published data. ● Recalculated the probability weightings used by management and evaluated them by comparison to industry practice and our underlying knowledge of the portfolio. ● Tested, on a sample basis, the appropriateness of the model design and formulae used by reperforming management's model calculations on selected loans. The results of our procedures indicated that the inputs and assumptions used by management for determining the Stage 1 and Stage 2 ECL were not unreasonable.
Credit impaired (Stage 3) real estate collateralised loans *Refer to notes 4(d), 7 and 32 to the consolidated financial statements for disclosures of related accounting policies and balances.* The Stage 3 ECL for defaulted mortgages totalled $22.7 million as at June 30, 2024 with a gross carrying amount of $39.4 million. We focused on management's impairment assessment for Stage 3 loans collateralised by real estate as management uses significant judgement in determining the valuation of real estate property pledged as collateral for loans and advances. This is the most significant repayment source for impaired collateralised	With the assistance of our real estate expert, we performed the following procedures, amongst others: ● Assessed the competence and objectivity of management's appointed real estate appraisers to determine whether they are appropriately qualified and independent of the Bank. ● On a sample basis, compared the collateral values recorded by management to the independent valuation appraisal reports. ● Compared the key assumptions used by management's real estate appraisers, being comparable sales, to actual comparable sales.

loans. Due to the expertise and judgements required to value the collateral, management engages a number of independent experts on a periodic basis. Management's experts predominately used the comparable sales approach to determine the fair value of collateral held. Further, management makes assumptions to discount certain collateral values based on the age of the experts report and the area the collateral is situated, which increases the estimation uncertainty surrounding the cash flows. The valuation of collateral is also impacted by estimated costs and time to sell.	• On a sample basis, calculated the cost to sell and time to sell based on historical sales. • On a sample basis, evaluated management's applied discounts used on appraisal reports by reference to the movement in historical and current appraised value. • Recalculated the Stage 3 provision for collateralised loans and compared to the amounts recorded in the consolidated financial statements. The results of our procedures indicated that management's assumptions used in the Stage 3 provision for collateralised loans and advances were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Bank's Annual Report 2024 (but does not include the consolidated financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Bank's Annual Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors’ responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Myra Lundy-Mortimer.

PricewaterhouseCoopers
Chartered Accountants
Nassau, Bahamas

September 30, 2024

BANK OF THE BAHAMAS

(INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF THE BAHAMAS)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024
(Expressed in Bahamian Dollars)

	Notes		2024		2023
ASSETS					
Cash and account with the Central Bank	5, 26	$	91,072,158	$	110,194,110
Cash equivalents - Treasury Bills, net	5, 26		67,642,772		61,818,157
Due from banks, net	5		93,111,662		83,779,906
Investment securities, net	6, 26		133,135,816		106,899,357
Loans and advances to customers, net	7, 26		401,415,699		372,306,886
Note receivable, net	8, 26		168,470,562		166,876,244
Investment property	9		6,744,000		6,744,000
Other assets	10, 26		17,664,038		22,061,992
Property and equipment, net	11		9,892,001		9,566,513
Right-of-use assets, net	12, 26		4,186,746		5,677,575
Computer software, net	13		5,163,724		6,093,477
TOTAL ASSETS		**$**	**998,499,178**	**$**	**952,018,217**
LIABILITIES					
Deposits from customers and banks	14, 26	$	768,268,410	$	738,168,202
Other liabilities	15, 26		22,380,071		24,212,364
Lease liabilities	12, 26		4,574,180		5,906,532
Deferred loan fees	26		3,620,452		2,876,542
Total liabilities		**$**	**798,843,113**	**$**	**771,163,640**
EQUITY					
Share capital	16	$	43,194,515	$	43,194,515
Share premium	16		81,950,384		81,950,384
Treasury shares	17		(1,318,224)		(1,318,224)
Special retained earnings	8		172,122,932		172,122,932
Accumulated deficit			(96,293,542)		(115,095,030)
Total equity		**$**	**199,656,065**	**$**	**180,854,577**
TOTAL LIABILITIES AND EQUITY		**$**	**998,499,178**	**$**	**952,018,217**

These consolidated financial statements were approved by the Board of Directors on September 26, 2024 and are signed on its behalf by:

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE BAHAMAS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

	Notes		2024		2023
Interest and similar income	19, 26	$	47,964,085	$	43,758,848
Interest and similar expense	19, 26		(4,565,450)		(4,561,157)
Net interest income			43,398,635		39,197,691
Fees and commission income	20, 26		12,743,433		11,798,789
Fees and commission expense			(452,506)		(303,959)
Net fees and commission income			12,290,927		11,494,830
Other operating income	21		4,543,948		4,802,673
Total operating income			60,233,510		55,495,194
Operating expenses	22, 26		(46,332,216)		(40,898,169)
Impairment reversals/(losses), net	23, 26		5,759,384		(3,215,806)
Net income			**19,660,678**		**11,381,219**
Other comprehensive income					
Items that will not be reclassified to net income					
Movement in fair value: equity investments at FVOCI	6, 18		-		216,700
Total comprehensive income for the year		**$**	**19,660,678**	**$**	**11,597,919**
Earnings per share					
Basic and diluted earnings per ordinary share	29	$	0.46	$	0.26

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE BAHAMAS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

	Share Capital	Share Premium	Treasury Shares	Net gain on Investments at FVOCI	Special Retained Earnings	Accumulated Deficit	Total Equity
Balance, June 30, 2022	**$ 42,610,505**	**$ 81,950,384**	**$ (1,318,224)**	**$ 2,880,297**	**$ 172,122,932**	**$ (128,559,641)**	**$ 169,686,253**
Transfer of FVOCI on equity investments (Note 18)	-	-	-	(3,096,997)	-	3,096,997	-
Net income for the year	-	-	-	-	-	11,381,219	11,381,219
Movement in fair value: equity investments at FVOCI (Notes 6, 18)	-	-	-	216,700	-	-	216,700
Transactions with owners of the Bank:							
Transfer of preference shares issuance costs (Note 16)	584,010	-	-	-	-	(584,010)	-
Dividends paid to common shareholders (Note 29)	-	-	-	-	-	(429,595)	(429,595)
Balance, June 30, 2023	**$ 43,194,515**	**$ 81,950,384**	**$ (1,318,224)**	**$ -**	**$ 172,122,932**	**$ (115,095,030)**	**$ 180,854,577**
Total comprehensive income:							
Net income for the year	-	-	-	-	-	19,660,678	19,660,678
Transactions with owners of the Bank:							
Dividends paid to common shareholders (Note 29)	-	-	-	-	-	(859,190)	(859,190)
Balance, June 30, 2024	**$ 43,194,515**	**$ 81,950,384**	**$ (1,318,224)**	**$ -**	**$ 172,122,932**	**$ (96,293,542)**	**$ 199,656,065**

The accompanying notes are an integral part of these consolidated financial statements.

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BANK OF THE BAHAMAS
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

	Notes		2024		2023
Cash flows from operating activities:					
Net income		$	19,660,678	$	11,381,219
Adjustments for:					
Interest income	19		(47,964,085)		(43,758,848)
Interest expense	12,19		4,565,450		4,561,157
Depreciation and amortisation	22		5,710,075		4,585,145
Gain on sale of investment securities FVOCI	6		-		(3,403)
Gain on revaluation of investment securities FVTPL	6,21		(389,665)		-
Gain on revaluation of investment property	21		-		(281,000)
Loss on disposal of property and equipment	11		136,715		233,135
Loss on disposal of computer software	13		109,694		-
Impairment (reversals)/losses, net	23		(5,759,384)		3,215,806
			(23,930,522)		(20,066,789)
Changes in:					
Increase in loans and advances to customers, net			(24,201,824)		(4,397,908)
Increase/(decrease) in deposits from customers and banks			30,355,276		(21,991,539)
Decrease/(increase) in other assets			4,397,955		(9,043,741)
Decrease in other liabilities			(1,832,293)		(24,780,029)
Increase in deferred loan fees			743,910		252,707
Increase in reserve deposit			(10,320)		(1,415,250)
			9,452,704		(61,375,760)
Interest received			46,481,764		45,302,784
Interest paid			(4,820,519)		(4,439,680)
Net cash provided by/(used in) operating activities			**27,183,427**		**(40,579,445)**
Cash flows from investing activities:					
Acquisition of property and equipment	11		(2,481,280)		(2,459,039)
Acquisition of computer software	13		(923,402)		(850,312)
Purchase of investment securities	6		(44,543,208)		(49,020,200)
Proceeds from disposal of property and equipment	11		6,115		-
Proceeds from maturity of investment securities	6		19,097,208		12,194,500
Proceeds from sale of investment securities	6		320,295		3,323,089
Net cash used in investing activities			**(28,524,272)**		**(36,811,962)**
Cash flows from financing activities:					
Payment of lease liabilities, net	12		(1,795,175)		(1,737,290)
Dividends paid on common shares	29		(859,190)		(429,595)
Net cash used in financing activities			**(2,654,365)**		**(2,166,885)**
Net decrease in cash and cash equivalents			(3,995,210)		(79,558,292)
Cash and cash equivalents, beginning of year			227,224,445		306,782,737
Cash and cash equivalents, end of year	5	**$**	**223,229,235**	**$**	**227,224,445**

The accompanying notes are an integral part of these consolidated financial statements.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(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 carry on banking business in The Bahamas under the provisions of the Banks and Trust Companies Regulations Act, 2020. The Bank is also licensed as an authorised 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, 2024 and 2023, 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, The Bahamas. The registered office is located at Sassoon House, corner of Shirley Street and Victoria Avenue, Nassau, The Bahamas.

The Bank, along with its subsidiaries (together, the "Bank") (Notes 2b and 33), services include the provision of commercial and retail banking services, private banking and the issuance of Visa branded stored value, prepaid, debit and credit cards. The Bank is also an agent for American Express. As at June 30, 2024, the Bank had twelve branches (2023: twelve): 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. Basis of preparation

The Bank's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements are presented in Bahamian Dollars, which is the Bank's functional currency. All amounts have been rounded to the nearest dollar, except when otherwise indicated.

The preparation of the consolidated 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(a) Going concern

These consolidated financial statements are prepared on a going concern basis, as the Bank's directors and management are satisfied that the Bank has the resources to continue in business for the foreseeable future. In making this assessment, a range of information relating to present and future conditions has been considered, including projections of profitability, cash flows and capital requirements.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

2. Basis of preparation *(continued)*

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries (Note 33) as at June 30, 2024 and 2023. ‘Subsidiaries’ are entities controlled by the Bank. The Bank ‘controls’ an entity if it is exposed to, or has rights, to variable returns from its involvement with the entity (investee) and has the ability to affect those returns through its power over the investee. Specifically, the Bank controls an investee if and only if the Bank has:

- power over the investee, namely, existing rights that give it the current ability to direct the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Bank has less than a majority of the voting or similar rights of an investee, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Bank’s voting rights and potential voting rights.

The Bank re-assesses whether it has control if there are changes to one or more of the elements of control. Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Bank and its subsidiaries are eliminated in full on consolidation.

When the Bank loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interest and other components of equity.

Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2. Basis of preparation *(continued)*

(c) New standards, amendments and interpretations

Standards, amendments and interpretations adopted by the Bank

Except as disclosed below, standards, amendments and interpretations to published standards that became effective for the Bank's financial year beginning on July 1, 2023 were either not relevant or not significant to the Bank's operations and accordingly did not have a material impact on the Bank's accounting policies or consolidated financial statements.

Material accounting policy information

The Bank adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

New standards, amendments and interpretations not yet adopted by the Bank

Except as disclosed below, the application of new standards, amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Bank's accounting policies or consolidated financial statements in the financial period of initial application.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued a narrow-scope amendment to IAS 1 *Presentation of Financial Statements* (IAS 1) which clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (IAS 8). The amendment is effective for periods beginning on or after January 1, 2024. The amendment is not expected to have a significant impact on the Bank's consolidated financial statements.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

2. Basis of preparation *(continued)*

(c) New standards, amendments and interpretations *(continued)*

Amendments to IFRS 18: Presentation and Disclosure in Financial Statements (IFRS 18)
The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes for many entities.

Amendments to IFRS 9: Amendments to the Classification and Measurement of Financial Instruments
The IASB issued Amendments to the Classification and Measurement of Financial Instruments in response to feedback received as part of the post-implementation review of the classification and measurement requirements in *IFRS 9 Financial Instruments* (*IFRS 9*) and related requirements in *IFRS 7 Financial Instruments: Disclosures* (*IFRS 7*).

The IASB amended to the requirements related to:

- settling financial liabilities using an electronic payment system; and
- assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

3. Critical accounting judgments and key sources of estimation uncertainty

Certain amounts included in or affecting the consolidated financial statements and related disclosures must be estimated, requiring management to make assumptions with respect to values or conditions that cannot be known with certainty at the time the consolidated financial statements are prepared. A “critical accounting estimate” is one that is both important to the presentation of the Bank’s financial position and results of operations and requires management’s most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain.

The information presented below provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Impairment of financial assets

The allowance for loan impairment represents management’s estimate of an asset’s expected credit losses (“ECL”).

The measurement of the ECL allowance for financial assets is an area that requires the use of complex models and significant assumptions about the future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

ECL is defined as the weighted expected probable value of the discounted credit loss (principal and interest) determined by evaluating a range of possible outcomes and future economic conditions. It represents the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).

The process for determining the allowance involves significant quantitative and qualitative assessments. Particularly, a number of significant judgments is also required in applying the accounting requirements for measuring ECL, such as:

i. Determining criteria for significant increase in credit risk;
ii. Choosing appropriate models and assumptions for the measurement of ECL;
iii. Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
iv. Assessing the risk rating and impaired status of loans;
v. Estimating cash flows and realisable collateral values;
vi. Developing default and loss rates based on historical data;
vii. Estimating the impact on this historical data by changes in policies, processes and credit strategies;
viii. Assessing the current credit quality based on credit quality trends; and
ix. Determining the current position in the economic cycle.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

3. **Critical accounting judgments and key sources of estimation uncertainty** *(continued)*

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 32.

Recognition and measurement of provisions and contingencies

Management uses key assumptions about the likelihood and magnitude of an outflow of resources to determine adequate provisions or disclosures in the consolidated financial statements as discussed in Note 24.

Valuation of investment property

The Bank carries its investment property at fair value, with changes in fair value being recognised in the consolidated statement of comprehensive income. The Bank assesses the fair value of its investment property through the use of independent real estate and valuation expert on a periodic basis, performing management assessments in the intervening years. Investment property was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location, and the condition of the respective property. Key assumptions used to determine the fair value of the investment property are discussed in Note 9.

4. **Material accounting policies**

(a) Revenue and expense recognition

Interest income and expense are recognised in the consolidated statement of comprehensive income for all financial instruments measured at amortised cost as they accrue using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees received that are an integral part of the effective interest rate. The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

4. Material accounting policies *(continued)*

(a) Revenue and expense recognition *(continued)*

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Other fees and commission income is recognised over time as the related services are performed and revenue related to transactions is recognised at a point in time when the transaction takes place. Other fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(b) Cash and cash equivalents

For purposes of the consolidated statement of cash flows, cash and cash equivalents comprise of cash on hand, short-term deposits and treasury bills with less than three months' maturity from the date of acquisition, including amounts due from banks and cash deposits with The Central Bank of The Bahamas less mandatory reserve deposit.

(c) Financial instruments

Recognition and initial measurement

The Bank initially recognises loans and advances and deposits on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(c) Financial instruments *(continued)*

Classification *(continued)*

Financial assets *(continued)*

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

4. Material accounting policies *(continued)*

(c) Financial instruments *(continued)*

Business model assessment *(continued)*

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g., non-recourse loans); and
- features that modify consideration of the time value of money (e.g., periodical reset of interest rates).

The Bank holds a portfolio of long-term fixed-rate loans for which the Bank has the option to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Bank has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(c) Financial instruments *(continued)*

Modification

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

• fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of the eligible transaction costs are included in the initial measurement of the asset; and

• other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of quantitative evaluation and means that the derecognition criteria are usually not met in such cases.

Financial liabilities

Financial liabilities include deposits from customers and banks, cardholders' liabilities and accounts payable and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Cardholders' liabilities relate to deposits received by the Bank for prepaid VISA cards and are recorded at the fair value of the proceeds received.

(d) Impairment of financial assets

The Bank recognises a loss allowance for ECL on financial assets measured at amortised cost and measures impairment losses at an amount equal to 12-month ECL or lifetime ECL, depending on the stage in which the asset is classified. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECL is the maximum contractual period over which the Bank is exposed to credit risk.

4. **Material accounting policies** *(continued)*

(d) **Impairment of financial assets** *(continued)*

As an exception, for certain financial instruments, such as credit cards and overdrafts, that may include both a loan and an undrawn commitment component, the Bank measures ECL over the period that the Bank is exposed to credit risk based on historical experience, that is, until the ECL would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

Impairment of financial assets is recognised in three stages:

Stage 1 – When a financial asset is originated, ECLs resulting from default events that are possible within the next 12 months are recognised and a loss allowance is established. On subsequent reporting dates, 12-month ECL also applies to existing financial assets with no significant increase in credit risk since their initial recognition.

Stage 2 - If the credit quality subsequently significantly deteriorates for a particular portfolio or transaction, the Bank recognises the full lifetime ECL.

Stage 3 - At a later date, once one or more default events have occurred on the transaction or on a counterparty resulting in an adverse effect on the estimated future cash flows, the Bank recognises the full lifetime ECL. At this stage, the financial asset is credit-impaired.

The calculation of ECL of a collateralised financial asset reflects the cash flows that may result from foreclosures less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

In determining whether a significant increase in credit risk has occurred since initial recognition, and when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment and forward-looking information.

A significant increase in credit risk of investment securities measured at amortised cost is defined as a significant deterioration in credit quality represented by a financial asset's credit rating migrating from investment grade to non-investment grade or, in the case of a financial asset that is below investment grade, a two-notch downward movement in credit rating.

The assessment of whether an asset is in stage 1 or 2 considers the relative change in the probability of default occurring over the expected life of the instrument and is not assessed based on the change in the amount of the ECL. This involves setting quantitative tests combined with additional indicators such as credit risk classification and other observable inputs. Assets that are more than 30 days past due, but not credit-impaired, are classed as Stage 2.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(d) Impairment of financial assets *(continued)*

Changes in credit loss, including the impact of movements between the first stage (12-month ECL) and the second stage (lifetime ECL), are recorded in the consolidated statement of comprehensive income.

IFRS 9 requires the use of forward-looking information including reasonable and supportable forecasts of future economic conditions. The requirement to consider a range of economic scenarios and their possible impact on impairment allowances is a subjective feature of the IFRS 9 ECL model. The Bank continues to assess the number of economic scenarios and capture the impact on credit losses to ensure the overall ECL represents a reasonable distribution of economic outcomes.

In our assessment of economic scenarios, we considered tourism projections and those sectors impacted by the pandemic as part of our forward-looking information (Note 32).

The Bank considers a financial asset to be in default when:

– The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank through actions such as realising security (if any held);

– The financial asset is more than 90 days past due; or

– The borrower is on principal only repayment terms.

Impairment losses for financial assets measured at amortised cost are deducted from the gross carrying amount of assets through the use of an allowance account.

Write-off of loans and advances

A loan (and the related impairment allowance account) is normally written off, either partially or in full, when there is no realistic prospect of recovery of the principal amount and, for a collateralised loan, when the proceeds from realising the security have been received. Consumer installment and credit card loans are written-off after principal and/or interest payments become 270 days and 180 days contractually in arrears, respectively.

Recovery of previously written-off loans

Recoveries of principal and/or interest on previously written off loans are recognised in impairment losses, net in the consolidated statement of comprehensive income on a cash basis or when the loan is rewritten on normal terms prevailing at the time of the rewrite.

Restructured loans

Loans subject to impairment assessment, whose terms have been restructured, are subject to ongoing review to determine whether they remain impaired or should be considered past due. The carrying amount of loans that have been classified as restructured are eligible for reclassification after six consecutive months of payments.

4. Material accounting policies *(continued)*

(e) Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to receive cash flows from the financial asset have expired; or
- The Bank has transferred its rights to receive the contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either:
  - The Bank has transferred substantially all the risks and rewards of ownership of the financial asset, or
  - The Bank has neither transferred nor retained substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit and loss.

Financial liabilities

A financial liability is derecognised when its contractual obligations are discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(f) Foreign currency

The reporting and functional currency of the Bank is the Bahamian dollar ("B$"). Transactions in foreign currencies are converted to B$ at the rates of exchange prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are converted to B$ at rates of exchange prevailing on the reporting date.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(f) Foreign currency *(continued)*

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year. Realised and unrealised foreign exchange gains and losses are included in the consolidated statement of comprehensive income. Foreign currency differences arising on trading foreign currency assets and liabilities are generally recognised in the consolidated statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost or amortised cost are recorded at the exchange rates ruling at the dates of transaction.

(g) Property and equipment

Items of property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Work in progress is transferred to the relevant asset class when ready to be placed in use.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank, and the cost of the item can be measured reliably. Repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Any gain or loss on disposal of an item of property and equipment is recognised within the consolidated statement of comprehensive income.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment less their estimated residual values over their estimated useful lives and is generally recognised in the consolidated statement of comprehensive income. The estimated useful lives are as follows:

Building	50 years
Leasehold improvements	3-5 years
Furniture, fixtures and equipment	3-10 years

Leasehold improvements are amortised over the shorter of the economic useful life of the asset, the lease term or five years and taking into consideration any extension of the lease term if there is reasonable expectation of renewal. Land is not depreciated.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(h) Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amount of non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The 'recoverable amount' is the greater of an asset's fair value less costs to sell and value in use. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

(j) Related parties

Related parties include all Ministries and Departments of the Government, Government Corporations, Subsidiaries and Agencies as well as directors and key management personnel, entities that are controlled, jointly controlled or significantly influenced by key management personnel of the Bank and entities noted earlier.

(k) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

The Bank operates a defined contribution plan (the "Plan") where the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive payment obligations once contributions have been paid. The Plan's costs are charged to staff costs and are funded as incurred.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(k) Employee benefits *(continued)*

The Bank operates an Employee Share Ownership Plan ("ESOP") where the Bank matches employees' share purchases up to 25%. The matching contributions vest over 5 years. The costs of the ESOP are charged to staff costs.

(l) Earnings per share

Basic earnings per share is computed by dividing the net income attributable to common shareholders by the weighted average number of shares outstanding during the year.

(m) Fiduciary activities

The Bank acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising therefrom are excluded from these consolidated financial statements, as they are not assets of the Bank.

(n) Taxes

Under the current laws in the Commonwealth of The Bahamas, the Bank is a value-added tax ("VAT") registrant and required to collect and remit VAT. The standard rate for VAT was 10%, charged on all goods and services that are not zero-rated or exempt as prescribed by the Value Added Tax Act. The Bank also pays business licence fees in accordance with the Business Licence Act, 2023.

(o) Investment property

Investment property is initially measured at cost including transaction costs and subsequently at fair value based on an appraisal by a local real estate appraiser. Additions to investment property are also recorded at cost. On an annual basis, the investment property is assessed for impairment with gains and losses arising from changes in the fair value of the investment property included in the consolidated statement of comprehensive income for the period in which they arise. The impairment assessment is based on fair values as determined by an independent appraisal performed every three years, and as determined by management in intervening years.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of comprehensive income or loss.

When the use of property changes such that it is reclassified as property and equipment, its fair value at the date of classification becomes its cost for subsequent accounting.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(p) Computer software

Acquired computer software costs and licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line basis of accounting over the expected useful life. Software has expected useful life of 5 to 10 years. Work in progress is transferred to the relevant asset class when ready to be placed in use.

(q) Deferred loan fees

Loan origination fees for loans that are likely to be drawn down are deferred and recognised as an adjustment to the effective interest rate on the loans. The Bank is presenting deferred loan fees under liabilities in the consolidated statement of financial position.

(r) Share capital

(i) Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(ii) Dividends on shares

Dividends on common and preferred shares are recognised in equity in the period in which they are approved by the Bank's Directors and Regulator. Dividends that are proposed and declared after the consolidated statement of financial position are disclosed as a subsequent event note to the consolidated financial statements.

(iii) Treasury shares

Where the Bank has purchased its own equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(s) Leases

Bank as a lessee
The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(s) Leases *(continued)*

Right-of-use assets
The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities
At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Bank:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held the Bank, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security

(t) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. As at June 30, 2024 and 2023, there were no master netting agreements outstanding. Therefore, any related assets and liabilities are presented gross in the consolidated statement of financial position.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

4. Material accounting policies *(continued)*

(u) Financial guarantees

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the consolidated financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of comprehensive income and an ECL allowance.

The premium received is recognised in the consolidated statement of comprehensive income in 'Net fees and commission income' on a straight-line basis over the life of the guarantee.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is the person or group responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Bank.

Income and expenses directly associated with each segment are included in determining operating segment performance. The Bank has identified its sole operating and reportable segment as retail banking which incorporates the following services lending, depository, credit and debit cards and their related services. Segment assets and liabilities comprise operating assets and liabilities, representing the consolidated statement of financial position. The Bank's operations, income and assets are all based in The Bahamas.

(w) Corresponding figures

Certain corresponding figures in the prior year have been reclassified to conform with the current year's presentation. These include:

Statement of Comprehensive Income

Fees and commission on deposit processing services in the amount of $1,069,391 was reclassified from other operating income to fees and commission income.

Notes to Consolidated Financial Statements

The Note receivable and lease liabilities were corrected in 2023 to update undiscounted contractual cash flows in note 32 liquidity risk.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

5. Cash and cash equivalents

		2024		2023
Cash	$	17,064,846	$	15,311,876
Deposits with the Central Bank, non-interest bearing (Note 26)		74,007,312		94,882,234
Cash and account with the Central Bank		91,072,158		110,194,110
Cash equivalents - Treasury Bills (Note 26)		67,700,525		61,879,290
Due from banks		93,111,662		83,795,835
Cash, cash equivalents and due from banks		251,884,345		255,869,235
Less: mandatory reserve deposits with the Central Bank		28,655,110		28,644,790
Cash and cash equivalents	$	223,229,235	$	227,224,445

The statutory reserve account with The Central Bank of The Bahamas ("the Central Bank") of $28,655,110 (2023: $28,644,790) is not included in cash and cash equivalents. Mandatory reserve deposits represent the Bank's regulatory requirement to maintain a percentage of deposit liabilities as cash or deposits with the Central Bank. These funds are not available to finance the Bank's day-to-day operations. All balances with the Central Bank are non-interest bearing. Government issued Treasury Bills are presented in the consolidated statement of financial position, net of $57,753 (2023: $61,133) allowance for impairment losses and have maturity dates extending through to September 2024 (2023: September 2023). Money market placements included in Due from banks amount to $Nil (2023: $15,806,024) and are presented in the consolidated statement of financial position, net of $Nil (2023: $15,929) allowance for impairment losses. Money market placements in 2023 had maturity dates extending through to August 2023.

(Expressed in Bahamian Dollars)

6. Investment securities, net

Investment securities comprise equity and debt securities classified into the following categories:

		FVTPL		Amortised cost		Total
Bahamas Registered Stock (Notes 26, 32)	$	-	$	113,655,889	$	113,655,889
Money Market Placements (Note 32)		-		8,800,000		8,800,000
Mutual Funds (Note 30)		10,069,370		-		10,069,370
Accrued interest receivable (Notes 26, 32)		-		1,523,662		1,523,662
Less: Allowance for impairment loss (Notes 26, 32)		-		(913,105)		(913,105)
At June 30, 2024	**$**	**10,069,370**	**$**	**123,066,446**	**$**	**133,135,816**

		FVTPL		Amortised cost		Total
Bahamas Registered Stock (Notes 26, 32)	$	-	$	98,312,800	$	98,312,800
Money Market Placements (Note 32)		-		8,700,000		8,700,000
Accrued interest receivable (Notes 26, 32)		-		946,033		946,033
Less: Allowance for impairment loss (Notes 26, 32)		-		(1,059,476)		(1,059,476)
At June 30, 2023	**$**	**-**	**$**	**106,899,357**	**$**	**106,899,357**

As at year end, Bahamas Registered Stock are fixed and variable rate bonds tied to the Bahamian $ Prime Rate issued by The Bahamas Government with interest rates ranging from 3.20% to 5.65% per annum (2023: from 3.13% to 5.65% per annum) and scheduled maturities between 2024 and 2049 (2023: between 2023 and 2049). Money market placements have interest rates ranging from 4.85% to 5.00% per annum (2023: from 4.90% to 5.00% per annum) and scheduled maturities are in June 2025 (2023: 2023 and 2025).

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

6. Investment securities, net *(continued)*

The movements in the categories of investment securities are as follows:

		FVTPL		FVOCI		Amortised cost		Total
At July 1, 2023	$	-	$	-	$	106,899,357	$	106,899,357
Additions		10,000,000		-		34,543,208		44,543,208
Maturities		-		-		(19,097,208)		(19,097,208)
Proceeds from sale of equity investments		(320,295)		-		-		(320,295)
Movement in fair value: equity investments at FVTPL		389,665		-		-		389,665
Discount amortisation		-		-		(2,911)		(2,911)
Movement in accrued interest receivable		-		-		577,629		577,629
Less: Impairment losses (Notes 23, 26, 32)		-		-		146,371		146,371
At June 30, 2024	**$**	**10,069,370**	**$**	**-**	**$**	**123,066,446**	**$**	**133,135,816**

		FVTPL		FVOCI		Amortised cost		Total
At July 1, 2022	$	-	$	3,102,986	$	70,795,723	$	73,898,709
Additions		-		-		49,020,200		49,020,200
Maturities		-		-		(12,194,500)		(12,194,500)
Proceeds from sale of equity investments		-		(3,323,089)		-		(3,323,089)
Movement in fair value: equity investments at FVOCI (Note 18)		-		216,700		-		216,700
Gain on sale of equity securities		-		3,403		-		3,403
Movement in accrued interest receivable		-		-		220,955		220,955
Add: Impairment reversals (Notes 23, 26, 32)				-		(943,021)		(943,021)
At June 30, 2023	**$**	**-**	**$**	**-**	**$**	**106,899,357**	**$**	**106,899,357**

On July 28, 2022, the Bank sold its investment in equity shares (Note 18) and net proceeds amounted to $3.3 million.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

7. Loans and advances to customers, net

		2024		2023
Mortgage residential loans	$	186,586,205	$	180,054,438
Mortgage commercial loans		10,700,739		11,801,749
Commercial loans		54,753,105		55,026,322
Consumer loans		153,545,775		126,592,321
Government (Note 26)		27,791,258		37,790,781
Credit cards		2,982,525		2,513,798
Business overdrafts		841,345		779,587
Personal overdrafts		85,907		143,059
	$	437,286,859	$	414,702,055

Provisions for loan losses are as follows:

		2024		2023
Less: Provision for loan losses				
At July 1	$	44,272,295	$	52,846,015
Amount written-off/charged-off		(1,617,019)		(9,420,835)
Impairment (reversals)/loss, net (Note 23)		(5,117,386)		847,115
At June 30		37,537,890		44,272,295
Accrued interest receivable, net (Note 26)		1,666,730		1,877,126
Loans and advances to customers, net	$	401,415,699	$	372,306,886

		2024		2023
Provision for loan losses				
Mortgage residential loans	$	24,545,338	$	25,154,055
Mortgage commercial loans		478,790		539,416
Commercial loans and overdrafts		2,400,431		7,369,553
Consumer loans and overdrafts		9,509,832		10,340,252
Government (Note 26)		268,191		527,761
Credit and prepaid cards		335,308		341,258
	$	37,537,890	$	44,272,295

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

7. Loans and advances to customers, net *(continued)*

Included in the provision for loan losses on mortgage commercial, commercial and consumer loans are specific provisions for certain business and personal overdrafts.

	2024	2023
Provisions as a percentage of the net loan portfolio	9.35%	11.89%
Provisions as a percentage of impaired loans	80.14%	67.34%

Non-performing (impaired) loans are as follows:

	2024	2023
Mortgage residential loans	31,588,807	$ 32,876,929
Mortgage commercial loans	7,832,430	8,476,604
Commercial loans and overdrafts	1,158,414	17,937,885
Consumer loans and overdrafts	6,252,442	6,430,476
Credit cards	8,635	17,860
	$ 46,840,728	$ 65,739,754
Percentage of loan portfolio (net)	11.67%	17.66%
Percentage of loan portfolio (gross)	10.71%	15.85%
Percentage of total assets	4.69%	6.91%

The following is an analysis of the concentration of loans and advances to customers by outstanding balances:

	2024		2023	
	Value	No. of Loans and Overdrafts	Value	No. of Loans and Overdrafts
\$0 - \$ 10,000	$ 12,747,915	11,050	$ 9,628,733	8,223
\$10,001 - \$ 25,000	22,910,891	1,349	18,915,178	1,085
\$25,001 - \$ 50,000	64,196,230	1,758	57,077,730	1,544
\$50,001 - \$ 100,000	77,632,262	1,173	64,713,081	991
\$100,001 - \$ 300,000	136,539,516	798	137,994,489	807
Over \$ 300,000	123,260,045	105	126,372,844	95
	$ 437,286,859	16,233	$ 414,702,055	12,745

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Bahamian Dollars)

7. Loans and advances to customers, net *(continued)*

The following is an analysis of loans and advances by credit quality:

In ($000s)		2024		2023
Mortgage residential loans				
Neither past due nor impaired	$	123,254	$	126,188
Past due but not impaired		31,743		20,989
Impaired		31,589		32,877
	$	186,586	$	180,054
Mortgage commercial loans				
Neither past due nor impaired	$	2,331	$	3,075
Past due but not impaired		538		250
Impaired		7,832		8,477
	$	10,701	$	11,802
Commercial loans and overdrafts				
Neither past due nor impaired	$	45,238	$	37,101
Past due but not impaired		9,198		767
Impaired		1,158		17,938
	$	55,594	$	55,806
Consumer loans and overdrafts				
Neither past due nor impaired	$	137,708	$	114,313
Past due but not impaired		9,671		5,992
Impaired		6,253		6,430
	$	153,632	$	126,735
Government				
Neither past due nor impaired	$	27,791	$	37,791
Past due but not impaired		-		-
Impaired		-		-
	$	27,791	$	37,791
Credit cards				
Neither past due nor impaired	$	2,903	$	2,423
Past due but not impaired		71		73
Impaired		9		18
	$	2,983	$	2,514

In the opinion of management, the credit quality of the majority of loans and advances to customers that are neither past due nor impaired is satisfactory.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

7. Loans and advances to customers, net *(continued)*

2024, In ($000s)		Principal		Restructured		Total
Mortgage residential loans	$	154,503	$	32,083	$	186,586
Mortgage commercial loans		2,873		7,828		10,701
Commercial loans and overdrafts		35,223		20,371		55,594
Consumer loans and overdrafts		147,224		6,408		153,632
Government		27,791		-		27,791
Credit cards		2,983		-		2,983
	$	370,597	$	66,690	$	437,287

2023, In ($000s)		Principal		Restructured		Total
Mortgage residential loans	$	149,192	$	30,862	$	180,054
Mortgage commercial loans		3,328		8,474		11,802
Commercial loans and overdrafts		26,374		29,432		55,806
Consumer loans and overdrafts		121,881		4,854		126,735
Government		37,791		-		37,791
Credit cards		2,514		-		2,514
	$	341,080	$	73,622	$	414,702

The analysis of the age of loans and advances to customers that were past due but not impaired is as follows:

				2024								
In ($000s)		Mortgage Residential		Mortgage Commercial		Commercial and overdrafts		Consumer and overdrafts		Credit Card		Total
Past due 1 to 29 days	$	27,110	$	538	$	9,191	$	8,315	$	-	$	45,154
Past due 30 - 59 days		3,454		-		4		618		49		4,125
Past due 60 - 89 days		1,179		-		3		738		22		1,942
	$	31,743	$	538	$	9,198	$	9,671	$	71	$	51,221

				2023								
In ($000s)		Mortgage Residential		Mortgage Commercial		Commercial and overdrafts		Consumer and overdrafts		Credit Card		Total
Past due up to 29 days	$	17,903	$	250	$	591	$	4,597	$	-	$	23,341
Past due 30 - 59 days		2,341		-		176		601		48		3,166
Past due 60 - 89 days		745		-		-		794		25		1,564
	$	20,989	$	250	$	767	$	5,992	$	73	$	28,071

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Bahamian Dollars)

8. Note receivable, net and special retained earnings

During October 2014, the Government created a special purpose vehicle, Bahamas Resolve Limited ("Resolve"), that is owned and controlled by the Government. At that time, the Bank sold to Resolve certain of its non-performing loans with a face value of $100 million and a net book value of approximately $45.4 million in consideration for $100 million in unsecured promissory notes (the "Notes"). The difference between the Notes received and net book value of the assets sold, approximately $54.6 million, was recognised directly in equity as Special Retained Earnings. The Notes which had a final maturity of October 30, 2024 were redeemed during the financial year ended June 30, 2018.

Also, during the financial year ended June 30, 2018, the Bank sold to Resolve another portfolio of non-performing loans with aggregate face value of $134.5 million and net book value of approximately $50.6 million, together with accrued (but suspended) interest on the loans of $33.2 million, in consideration for an unsecured promissory note in the amount of $167.7 million. The difference between the promissory note received and the net book value of the loans and accrued interest transferred to Resolve, amounting to approximately $117.1 million, was credited to Special Retained Earnings and forms a part of the Bank's regulatory capital. An additional $0.4 million in fees and charges were recognised in Special Retained Earnings. The promissory note had a maturity date of August 31, 2022 and bore interest at a fixed rate of 3.5% per annum, payable semi-annually on the 28th day of February and the 31st day of August.

During the financial year ended June 30, 2023, this promissory note with the original maturity date of August 31, 2022 was extended by three years to August 31, 2025, at a 4% fixed interest rate, with quarterly interest payments at the end of November, February, May and August. In September 2023, the interest rate was changed to 3% with semi-annual interest payment at the end of February and August.

The Bank has transferred all of its rights relating to the non-performing loans to Resolve and will have no rights to future cash flows from the non-performing loans. Resolve, and not the Bank, will bear all the risks and rewards of the non-performing loans subsequent to the transaction and Resolve, and not the Bank, will control the non-performing loans. The Bank will not have any continuing involvement in servicing the non-performing loans, and the Bank's only rights will relate to the cash flows associated with the promissory note. Further, the Bank will not be providing any form of future direct or indirect financing to the customers whose loans were transferred to Resolve, and these customers will no longer be customers of the Bank.

As a part of the transaction, the Bank received an irrevocable Letter of Support from the Government. The Letter of Support pledged the Government's financial support of Resolve to enable it to satisfy its obligations under the promissory note and confirms that, in the event of default by Resolve, the Bank can seek to recover outstanding balances from the Government.

(Expressed in Bahamian Dollars)

8. Note receivable, net and special retained earnings *(continued)*

	2024	2023
Note receivable (Notes 26, 32)	$ 167,700,000	$ 167,700,000
Accrued interest receivable (Notes 26, 32)	1,677,000	559,000
Less: Allowance for impairment loss (Note 26)	(906,438)	(1,382,756)
	$ 168,470,562	**$ 166,876,244**

9. Investment property

Investment Property comprises land owned by the Bank. The land is located on West Bay Street, Nassau Bahamas.

The Bank engaged the services of an independent real estate and valuation expert who holds a recognised and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. The fair value of the investment property of $6,744,000 as at June 30, 2024 (2023: $6,744,000) is based on the independent valuation from the appraisal performed in March 2023.

This investment property has been classified as Level 3 in the fair value measurement hierarchy and there were no transfers from or to Level 3 during the year. The fair value of the investment property reflects the current market conditions and is based on the appraised value using the sales comparison approach where the average sales price approximated $1,200,000 per acre. Management believes that the appraised value continues to appropriately reflect the fair value of the investment property.

10. Other assets

	2024	2023
Prepaid assets	$ 12,287,237	$ 18,549,579
Cheques and other items in transit, net	2,738,307	1,149,389
Accounts receivable	1,572,764	1,209,996
Other assets, net	1,065,730	1,153,028
	$ 17,664,038	**$ 22,061,992**

As at June 30, 2024, prepaid assets included subscription paid in advance of $4.0 million (2023: $10 million). Included in accounts receivable is $1.1 million (2023: $1.0 million) of real property taxes with corresponding accounts payable (Notes 15 and 26). Included in other assets, net are the Bank's investments in the Bahamas Automated Clearing House Limited in the amount of $181,967 (2023: $182,512 Included in Clearing and other items in transit, net is a balance for B$ cheque clearing of $2.1 million (2023: $1.1 million) with allowance for unresolved items of $Nil (2023: $4,143). Included in other assets, net is a balance for B$ suspense items of $184,482 (2023: $585,648) with a provision allowance of $259,939 (2023: $358,856).

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(Expressed in Bahamian Dollars)

11. Property and equipment, net

		Land and Building		Leasehold Improvements		Furniture, Fixtures and Equipment		Work in Progress		Total
Cost										
Balance as at June 30, 2022	$	3,139,782	$	5,935,063	$	13,309,414	$	2,395,265	$	24,779,524
Additions		-		132,424		572,281		1,754,334		2,459,039
Disposals/write-offs		-		(390,694)		(828,306)		-		(1,219,000)
Transfers		639,107		68,889		2,558,016		(3,266,012)		-
Balance as at June 30, 2023		3,778,889		5,745,682		15,611,405		883,587		26,019,563
Additions		-		-		779,963		1,701,317		2,481,280
Disposals/write-offs		-		-		(391,927)		-		(391,927)
Transfers		-		44,494		810,109		(854,603)		-
Balance as at June 30, 2024	$	3,778,889	$	5,790,176	$	16,809,550	$	1,730,301	$	28,108,916
Accumulated Depreciation										
Balance as at June 30, 2022	$	747,186	$	5,868,450	$	9,306,290	$	-	$	15,921,926
Depreciation (Note 22)		51,036		43,389		1,422,564		-		1,516,989
Disposals/write-offs		-		(376,504)		(609,361)		-		(985,865)
Balance as at June 30, 2023		798,222		5,535,335		10,119,493		-		16,453,050
Depreciation (Note 22)		65,774		53,826		1,893,362		-		2,012,962
Disposals/write-offs		-		-		(249,097)		-		(249,097)
Balance as at June 30, 2024	$	863,996	$	5,589,161	$	11,763,758	$	-	$	18,216,915
Net book value:										
Balance as at June 30, 2024	$	2,914,893	$	201,015	$	5,045,792	$	1,730,301	$	9,892,001
Balance as at June 30, 2023	$	2,980,667	$	210,347	$	5,491,912	$	883,587	$	9,566,513

Land in the amount of $44,565 (2023: $44,565) is included in land and building.

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(Expressed in Bahamian Dollars)

12. Right-of-use assets and lease liabilities

	Right-of-use assets		Lease liabilities	
July 1, 2023	$	5,677,575	$	5,906,532
Additions		462,823		462,823
Depreciation expense (Note 22)		(1,953,652)		-
Interest expense (Note 19)		-		261,466
Lease payments		-		(2,056,641)
June 30, 2024	$	4,186,746	$	4,574,180

	Right-of-use assets		Lease liabilities	
July 1, 2022	$	3,592,575	$	3,927,893
Additions		3,510,260		3,510,260
Renewals		205,669		205,669
Depreciation expense (Note 22)		(1,630,929)		-
Interest expense (Note 19)		-		345,648
Lease payments		-		(2,082,938)
June 30, 2023	$	5,677,575	$	5,906,532

As at June 30, 2024, the current portion of the lease liabilities amounted to $2,024,477 (2023: $2,148,570). In the consolidated statement of cash flows, the total cash outflow for leases amounted to $1,795,175 (2023: $1,737,290).

13. Computer software, net

		Computer software		Work in Progress		Total
Cost						
Balance as at June 30, 2022	$	12,762,105	$	1,726,360	$	14,488,465
Additions		117,199		733,113		850,312
Transfers		1,413,333		(1,413,333)		-
Balance as at June 30, 2023		14,292,637		1,046,140		15,338,777
Additions		455,814		467,588		923,402
Disposal/write-off		(2,854,922)		-		(2,854,922)
Transfers		899,333		(899,333)		-
Balance as at June 30, 2024	$	12,792,862	$	614,395	$	13,407,257
Accumulated Amortisation						
Balance as at June 30, 2022	$	7,808,073	$	-	$	7,808,073
Amortisation (Note 22)		1,437,227		-		1,437,227
Balance as at June 30, 2023		9,245,300		-		9,245,300
Amortisation (Note 22)		1,743,461		-		1,743,461
Disposal/write-off		(2,745,228)		-		(2,745,228)
Balance as at June 30, 2024	$	8,243,533	$	-	$	8,243,533
Net book value:						
Balance as at June 30, 2024	$	4,549,329	$	614,395	$	5,163,724
Balance as at June 30, 2023	$	5,047,337	$	1,046,140	$	6,093,477

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14. Deposits from customers and banks

		2024		2023
Term deposits	$	233,658,496	$	243,532,696
Demand deposits		299,084,397		298,708,065
Savings accounts		233,871,718		194,018,573
		766,614,611		736,259,334
Accrued interest payable		1,653,799		1,908,868
	$	768,268,410	$	738,168,202

As at June 30, 2024, the deposits from banks amounted to $1,118,514 (2023: $Nil).

The following is an analysis of the concentration of deposits from customers and banks by size of deposits:

		2024			2023	
		Value	No. of Deposits		Value	No. of Deposits
$0 - $ 10,000	$	55,977,217	98,940	$	52,570,483	93,590
$10,001 - $ 25,000		41,639,309	2,692		40,233,689	2,596
$25,001 - $ 50,000		43,755,140	1,253		40,442,966	1,156
$50,001 - $100,000		53,290,848	781		50,840,944	749
$100,001 - $300,000		88,944,941	553		83,258,724	526
Over $300,000		483,007,156	357		468,912,528	339
	$	766,614,611	104,576	$	736,259,334	98,956

In 1999, The Central Bank established the Deposit Insurance Corporation (the “Corporation”). The Bank paid an annual premium of $408,187 (2023: $259,989) to the Corporation, which insures the funds of all individual Bahamian dollar depositors of the Bank up to a maximum of $50,000 per depositor.

15. Other liabilities

		2024		2023
Accounts payable	$	4,589,502	$	6,315,522
Other provision (Note 24)		6,900,000		6,900,000
Cardholders liability		3,957,450		6,259,927
Cheques and other items in transit		5,823,399		3,896,532
Clearing in transit		948,980		627,720
Deferred revenue		160,740		212,663
	$	22,380,071	$	24,212,364

BANK OF THE BAHAMAS
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16. Share capital

	2024	2023
Authorized:		
45,000 Preference shares of B$1,000 each	$ 45,000,000	$ 45,000,000
105,000,000 Voting common shares of B$1 each	105,000,000	105,000,000
10,000,000 Non-voting common shares of B$1 each	10,000,000	10,000,000
	$ 160,000,000	$ 160,000,000
Issued and fully paid:		
37,171,570 Voting common shares of B$1 each	$ 37,171,570	$ 37,171,570
6,022,945 Non-voting common shares of B$1 each	6,022,945	6,022,945
	$ 43,194,515	$ 43,194,515

Preference shares

The Bank's shareholders approved resolutions to increase the authorised share capital of the Bank and allow the issuance of non-voting cumulative preference shares, redeemable at the discretion of the Board of Directors. On June 30, 2006 and May 7, 2009, the Bank issued a total of B$15,000,000 and B$20,000,000 in redeemable preference shares at a rate of 2.00% and 2.50% above the Bahamian dollar prime rate. In accordance with IFRS, the preference shares were classified as equity. Costs totaling $235,010 and $349,000 related to the preference share offering respectively were netted against the proceeds. In fiscal year 2023, the preference share offering costs were transferred to retained earnings.

From fiscal years 2014 to 2017, the Bank redeemed $3,400,000 of preference shares annually and $6,150,000 by fiscal year 2018, with the final redemption of $15,250,000 during fiscal year 2019.

BANK OF THE BAHAMAS
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16. Share capital *(continued)*

Voting common shares

Effective January 2006, the Bank had a rights offering resulting in the increase in voting common shares from $12,000,000 to $15,600,000 and share premium from $7,589,064 to $28,587,866.

On April 15, 2016, the Bank's shareholders approved the reclassification of the authorised and unissued preference shares of the Bank comprising 80,000 shares having a par value of $1,000 per share into 80,000,000 voting common shares having a par value of $1.00 per share. The total authorised capital of the Bank remained unchanged at $160,000,000.

During the period from September 6 - 12, 2016, the Bank entered into a common shares' rights offering for an aggregate amount of $40 million for 14,814,814 voting common shares. For each 1.44 common shares held as at record date of September 5, 2016, shareholders had the right to purchase an additional 1 share. At the end of the offer period, the Government subscribed for the majority of the offering, and the Bank issued a total of $39,517,333 in voting common shares to its shareholders at a price of $2.70 per share. Costs totaling $482,667 related to this common share offering were netted against the proceeds and resulted in additional share premium of $24,702,519.

During the period December 31, 2016 to February 28, 2017, the Bank offered a private placement of $30 million at 3.125% Fixed Rate Perpetual Contingent Convertible Bonds to accredited investors only. This private placement was offered in three tranches of $10 million each. As at December 31, 2016, the first tranche was subscribed by and issued to the Government. Effective June 30, 2017, this bond in the amount of $10 million was converted to 6,756,756 voting common shares at a price of $1.48 per share which resulted in additional share premium of $3,243,244.

Non-voting common shares

During 2013, the Bank's shareholders approved resolutions to increase the authorised share capital of the Bank and allow for the issuance of a separate class of B$10,000,000 non-voting common shares. On June 28, 2013 the Bank issued a total of 6,022,945 Class B non-voting common shares to NIB at a share price of $5.23. Costs totaling $60,300 related to this common share offering were netted against the proceeds and resulted in additional share premium of $25,416,755.

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17. Treasury shares

During each of the fiscal years 2011 and 2013, the Bank's Board of Directors approved the repurchase of 750,000 of the Bank's own shares. The implementation of the share repurchase plan was a strategy to enhance the shareholder value of then existing shareholders. There have not been any repurchase of shares since fiscal 2013.

The balance in treasury shares at year end is as follows:

	No. of Shares		Value
Balance as at June 30, 2024 and 2023	235,021	$	1,318,224

18. Net gain on investments at FVOCI

		2024		2023
Balance at July 1	$	-	$	2,880,297
Movement in fair value: equity investments at FVOCI (Note 6)		-		216,700
Transfer of FVOCI on equity investments		-		(3,096,997)
Balance at June 30	$	-	$	-

19. Net interest income

		2024		2023
Interest and similar income				
Interest income calculated using the effective interest method:				
Loans and advances to customers	$	32,956,831	$	29,629,137
Notes receivable		5,310,500		6,568,250
Investment securities		4,250,782		3,274,069
Cash and short term investments		5,445,972		4,287,392
		47,964,085		43,758,848
Interest and similar expense				
Banks and customers		(4,303,984)		(4,215,509)
Lease liabilties (Note 12)		(261,466)		(345,648)
		(4,565,450)		(4,561,157)
Total net interest income	$	43,398,635	$	39,197,691

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20. Fees and commission income

		2024		2023
Deposit services fees and commission	$	6,538,011	$	6,271,096
Card services fees and commission		5,364,058		4,742,508
Credit services fees and commission		192,943		255,566
Other fees and commission		648,421		529,619
Total fees and commission income	$	12,743,433	$	11,798,789

21. Other operating income

		2024		2023
Foreign exchange	$	3,611,245	$	3,090,750
Revaluation gain on investment securities (Note 6)		389,665		-
Revaluation gain on investment property (Note 9)		-		281,000
Other		543,038		1,430,923
Total other operating income	$	4,543,948	$	4,802,673

22. Operating expenses

		2024		2023
Staff costs (Note 27)		21,463,925	$	20,494,344
Licenses and other fees		7,021,029		6,127,488
Information technology		4,578,069		4,108,239
Other administrative expenses		3,435,243		2,045,128
Occupancy		2,976,291		2,542,196
Telecommunication and postage		525,535		513,237
Advertising, marketing and donations		361,586		331,168
Travel and entertainment		260,463		151,224
Operating expenses before depreciation and amortisation	$	40,622,141	$	36,313,024
Depreciation of property and equipment (Note 11)		2,012,962		1,516,989
Depreciation of right-of-use assets (Note 12)		1,953,652		1,630,929
Amortisation of software (Note 13)		1,743,461		1,437,227
Depreciation and amortisation		5,710,075		4,585,145
Total operating expenses	$	46,332,216	$	40,898,169

Audit fees for the consolidated financial statements the year ended June 30, 2024 amounted to $380,000 (2023: $420,000). Audit related fees amounted to $25,000 (2023: $Nil). Other fees to the auditor and related network firms for non-assurance services amounted to $55,000 (2023: $156,940).

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23. Impairment (reversals)/losses, net

		2024		2023
Loans and advances to customers, net (Notes 7, 26)	$	(5,117,386)	$	847,115
Note receivable (Notes 8, 26)		(476,318)		1,362,931
Investment securities (Notes 6, 26)		(146,371)		943,021
Cash equivalents - Treasury Bills (Note 5, 26)		(3,380)		51,640
Money market placements (Note 5)		(15,929)		11,099
Impairment (reversals)/losses during the year	$	(5,759,384)	$	3,215,806

24. Contingencies

To meet the financial needs of customers, the Bank enters various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to lend. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act.

Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. As a result of the litigation risk inherent in its operations, 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 makes adjustments to account for any adverse effects which the claims may have on its financial standing and/or discloses amounts in accordance with its accounting policies.

As at year end, the Bank had several ongoing legal claims. Various legal proceedings are pending that challenge certain actions of the Bank. Most of these proceedings are loan-related and are reactions to steps taken by the Bank to collect delinquent loans and enforce its rights against collateral securing such loans.

In fiscal year 2019, the Bank was made aware of a significant legal claim against the Bank in respect of a judgment in default and related damages of approximately $6 million plus interest and costs for which the Bank recorded provision as at June 30, 2019. The Bank has filed the necessary applications to set aside the default judgment and to set aside the said damages. The Bank has also filed papers to stay the enforcement of damages and in certain circumstances to strike out enforcement steps. In fiscal year 2020, the Bank was successful in having the judgement in default of defense set aside. In fiscal year 2022, the Bank was successful again in the Supreme Court appeal brought about by the plaintiff. In fiscal year 2023, an appeal was filed at the Court of Appeal which was subsequently withdrawn by the Plaintiffs as the requisite certificate was not obtained by them. The Plaintiffs thereafter filed an application to obtain the certificate in an attempt to pursue the appeal against the Bank once again. As at June 30, 2024, the Bank maintained the related provision recorded since June 2019 while management awaits the ruling for the certificate. Management considers that adequate provision has been made in these consolidated financial statements, included in accounts payable (Note 15), for any loss that might ultimately be determined (Note 3).

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25. Commitments

The commitments for loans and advances at June 30, 2024 were $40,382,605 (2023: $10,076,990). The allowance for impairment loss as at June 30, 2024 amounted to $18,152 (2023: $4,367).

The Bank has a commitment for future capital expenditure of $557,803 (2023: $232,158).

The Bank has letters of credit and guarantees outstanding of $3,528,119 (2023: $3,370,119). The allowance for impairment loss as at June 30, 2024 amounted to $7,784 (2023: $10,396).

26. Transactions and balances with related parties

	Government	Other Government Entities	Key Management	Total 2024	Total 2023
Assets					
Deposits with the Central Bank (Note 5)	$ -	$ 74,007,312	$ -	$ 74,007,312	$ 94,882,234
Treasury bills, net (Note 5)	67,642,772	-	-	67,642,772	61,818,157
Investment securities, net (Note 6)	113,951,755	-	-	113,951,755	98,249,600
Loans and advances to customers, net	27,864,212	-	2,282,454	30,146,666	40,882,087
Note receivable, net (Note 8)	-	168,470,562	-	168,470,562	166,876,244
Right-of-use assets, net (Note 12)	293,491	-	-	293,491	586,981
Other assets	946,090	-	-	946,090	3,169,116
Total	$ 210,698,320	$ 242,477,874	$ 2,282,454	$ 455,458,648	$ 466,464,419
Liabilities					
Deposits from customers and banks	$ 84,094,084	$ 80,717,396	$ 1,018,007	$ 165,829,487	$ 168,844,224
Other liabilities	3,169,930	97,931	-	3,267,861	5,644,224
Lease liabilities (Note 12)	394,867	-	-	394,867	716,386
Deferred loan fees	456,789	-	-	456,789	304,031
Total	$ 88,115,670	$ 80,815,327	$ 1,018,007	$ 169,949,004	$ 175,508,865
Revenues					
Interest Income	$ 7,818,498	$ 5,861,983	$ 85,728	$ 13,766,209	$ 14,426,136
Fees and commission income	383,309	-	-	383,309	385,787
Total	$ 8,201,807	$ 5,861,983	$ 85,728	$ 14,149,518	$ 14,811,923
Expenses and Impairment losses					
Interest Expense	$ 154,550	$ 264,218	$ 35,859	$ 454,627	$ 444,168
Directors fees	-	-	255,476	255,476	244,500
Impairment (reversals)/losses	(409,321)	(476,318)	-	(885,639)	2,798,746
Other operating expenses	1,401,322	4,989,642	-	6,390,964	6,772,781
Short-term employee benefits	-	-	3,062,131	3,062,131	3,056,766
Pension expense	-	-	145,182	145,182	181,462
Total	$ 1,146,551	$ 4,777,542	$ 3,498,648	$ 9,422,741	$ 13,498,423

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26. Transactions and balances with related parties *(continued)*

The allowance for impairment loss against any of the related party balances as at June 30, 2024 amounted to $2,077,376 (2023: $2,953,200).

27. Employee benefits

The Bank has a defined contribution plan (the "Plan") in which eligible employees (those having attained 18 years of age and employed on a full-time basis for a continuous period of twelve months) contribute a minimum of 3.50% of their annual salaries and the Bank contributes 6.50%. Employees become fully vested after 5 years of plan membership. The Plan is managed by two Trustees that are independent of the Bank. Effective June 6, 2024, the Trustees appointed a corporate trustee to manage the assets of the Plan. Contributions for the year ended June 30, 2024 totaled $801,296 (2023: $831,346) recorded as staff costs (Note 22).

The Plan's investment strategy is fully employed on a low risk and conservative bond fund.

28. Assets under administration

The Bank has assets under administration for clients in the Bank's fiduciary capacity as follows:

		2024		2023
Government guaranteed hurricane relief loans	$	3,300,115	$	3,433,461

The Bank recognised fees totaling $48,030 (2023: $48,605) for the administration of the Government Guaranteed Hurricane Relief Loans program.

29. Dividends and earnings per share

Dividends to the Bank's shareholders are recognised 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 in the amount of $0.01 per share for shareholders of record on November 13, 2023 and paid dividends on November 16, 2023 in the amount of $429,595 to its common shareholders. The Bank declared additional dividends in the amount of $0.01 per share for shareholders of record on May 20, 2024 and paid dividends on May 23, 2024 in the amount of $429,595 to its common shareholders (2023: $429,595).

		2024		2023
Net income attributable to ordinary shareholders	$	19,660,678	$	11,381,219
Weighted average number of ordinary shares outstanding		42,959,494		42,959,494
Basic earnings per ordinary share	$	0.46	$	0.26
Dividends per ordinary share	$	0.02	$	0.01

30. Fair value of assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is the quoted price in an active market.

IFRS 13 requires that the classification of financial assets and liabilities at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following methods and assumptions have been used in determining fair value:

Cash and cash equivalents, other assets and other liabilities

Due to their short-term maturity, the carrying values of these financial instruments approximate their fair values and have been classified as Level 2.

Investment securities

The estimated fair values of the Bank's investments are determined based on quoted market prices, when available. If quoted market prices are not available, management's best estimate of the fair value is based on significant market observable inputs. The Bank's debt investments are subsequently measured at amortised cost and are tied to the Bahamian $ Prime Rate issued by The Bahamas Government and therefore the carrying values of these financial instruments approximate their fair values. The debt securities are classified as Level 2 and there were no transfers made during the year for any investments between the hierarchies.

As of June 30, 2024, the Bank held mutual funds as FVTPL totaling $10,069,370 (2023: $Nil). The estimated fair values are determined based on the net asset value and are classified as Level 2 investment (Notes 6 and 32) and there were no transfers made during the year for any investments between the hierarchies.

30. Fair value of assets and liabilities *(continued)*

Loan and advances to customers

Loans and advances to customers bear interest at variable rates tied to the Bahamian dollar prime rate and are therefore subject to re-pricing based on periodic changes to market interest rates. As such, fair values are assumed to be equal to their carrying values and are disclosed in Note 7. Loans and advances have been classified as Level 3 and the risk adjusted discount rate was used as unobservable inputs to value these loans.

Deposits from customers

The estimated fair values of deposits from customers were determined by valuing the deposits based on current market interest rates relative to the Bank's interest rates. Given that deposits are principally short term in nature and have interest rates that reset to market rates, the fair values of deposits from customers approximate their carrying values and are disclosed in Note 14. Deposits from customers have been classified as Level 3 and the risk adjusted discount rate was used as unobservable inputs to value these deposits.

Investment property

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair values of the Bank's investment property portfolio every three years.

The fair value measurements for the investment property have been categorised as Level 3 fair value measurements. The valuation model used is the Sales Comparison Approach to estimate the Market Value of the subject site. The model considered three comparable transactions which were adjusted for the sales price for differences in location and size. Investment property has been classified as Level 3 (Note 9).

31. Regulatory capital

The Bahamas Capital Regulations, 2022 came into effect on July 15, 2022. The Bank's total regulatory capital consists of the sum of total Common Equity Tier 1 ("CET1") capital only, net of regulatory adjustments. CET1 plus capital buffers must be at least 18% and the minimum leverage ratio of 6% has been introduced. The Bank remains compliant with total regulatory capital at 43.4% as at June 30, 2024 (June 30, 2023: 44.7%) and a leverage ratio of 18.7% as at June 30, 2024 (2023: 17.2%).

Capital regulatory requirements for subsidiary companies are managed through the Bank. The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by The Central Bank. As at June 30, 2024 and 2023, the Bank was compliant with all of the externally imposed capital ratio requirements.

Capital risk management

The primary objectives of the Bank's capital management are to comply with externally imposed capital requirements, maintain strong capital ratios to support its business and to maximise shareholders' value.

31. Regulatory capital *(continued)*

The Bank typically manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The capital structure is designed to provide optimal risk absorption consistent with the risk profile of the Bank's consolidated statement of financial position. The capital mix is intended to maximise the return for shareholders. The Bank utilizes equity issuances to achieve an ideal capital structure.

At June 30, 2024 and 2023, the capital structure of the Bank consists of equity held by common shareholders, including issued capital, share premium, special retained earnings and accumulated deficit. Ongoing capital management includes the payment of dividends, common share issuances, maintenance of reserves and special retained earnings.

32. Risk management

There are a number of risks inherent in banking that the Bank manages on an ongoing basis. Among these risks, the more significant are credit, operational, currency, liquidity, capital and interest rate risks.

Credit risk

Credit risk arises from the failure of a counterparty to perform according to the terms of the contract. From this perspective, the Bank's significant exposure to credit risk is primarily concentrated in cash and due from banks, investments, notes receivable and loans. Cash, due from banks and investments are predominantly in Bahamian and United States dollars and have been placed with high quality institutions. The Bank maintains deposits in foreign currencies with a minimum of lower medium grade rated correspondent banks in the United States, Canada and the United Kingdom.

The Bank evaluates the concentration of risk with respect to the note receivable in the same manner as balances with the Government, as the interest and principal sum is payable by Bahamas Resolve Limited ("Resolve"), which is a company wholly owned and controlled by the Government. The Bank recognises an ECL based on the credit rating of the Government, given that the Government has undertaken to support Resolve, as more fully described in Note 8.

Credit risk arising from loans is mitigated through the employment of a credit risk management regime that sets limits for sector concentration, as well as single and related party exposure. The Board of Directors approves credit granting limits. In addition, the credit policies provide for credit facilities to be reviewed regularly by the Bank's credit risk management department, internal audit department and annual review by credit officers. Most of the Bank's loans are collateralised and guaranteed, thus providing further mitigation of credit risk. The Bank's procedures are designed to ensure collateral is appropriately managed, is legally enforceable, conservatively valued by a Bank approved independent appraiser and adequately insured for the full replacement value, where possible.

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32. Risk management *(continued)*

Credit risk *(continued)*

The Bank assesses credit exposure on loans by utilising risk ratings. The ratings are categorized into a variety of segments such as minimal risk, moderate risk, high risk and non-performing. The purpose of credit rating is to provide a simple, but effective and ongoing system of credit risk gradation by which relative credit worthiness of borrowers may be identified and accordingly the level of credit enhancements, degree of monitoring, frequency of reviews, level of provisioning, and pricing can be determined. The credit rating would reflect both the likelihood of default and the potential extent of loss given default.

The credit worthiness of most borrowers is not constant over time. For this reason, changes in ratings must reflect changes in the relative strength of the borrowers and in their obligations. Appropriate credit ratings must be assigned to every borrowing relationship. A rating must be assigned at the time of credit extension and reviewed and updated in each periodic review or if the situation warrants a change at any other time.

A rating change highlights a change in credit worthiness or corrects a previous rating that did not fully reflect the quality of the credit. Because of their very nature, changes are to be expected more frequently among credits with lower ratings than among credits of higher ratings. Typically loans within the retail credit portfolio which are performing are not assessed for changes in ratings, unless the customer approaches the Bank for additional credit.

The assigning of a risk rating calls for professional judgment and can involve subjective elements. When a credit rating is assigned, all relevant information concerning the risk profile of the borrower is considered, including but not limited to, industry trends, economic climate, business environment and earnings track record. Consideration is given to much less quantifiable items such as opinion of management, perception of trustworthiness and character, hidden reserves and other factors.

The Bank conducts an impairment assessment on each of its loans. The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Bank addresses impairment on an individual and portfolio basis. In managing credit risk, the Bank takes a holistic approach in assessing its impact and implications from a regulatory standpoint and potential consequences for liquidity and its capital.

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32. Risk management *(continued)*

Credit risk *(continued)*

Concentration of risks and financial assets with credit risk exposure are as follows:

		2024		2023
In ($000s)				
Cash, cash equivalents and due from banks (Note 5)				
Neither past due nor impaired	$	234,819	$	240,557
Investment securities (Note 6)				
Neither past due nor impaired	$	123,980	$	107,959
Loans and advances to customers (Note 7)				
Neither past due nor impaired	$	339,225	$	320,891
Past due but not impaired		51,221		28,071
Impaired		46,841		65,740
Accrued interest receivable, net		1,667		1,877
	$	438,954	$	416,579
Note receivable (Note 8)				
Neither past due nor impaired	$	167,700	$	167,700
Accrued interest receivable		1,677		559
	$	169,377	$	168,259
Loan commitments, credit lines and guarantees (Note 25)				
Neither past due nor impaired	$	43,911	$	13,447

Financial assets are past due when a counterparty has failed to make a payment when contractually due.

Expected Credit Loss Measurement

ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

32. Risk management *(continued)*

Credit risk *(continued)*

Expected Credit Loss Measurement *(continued)*

- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The Bank uses a Point-in-Time ("PIT") analysis while having regard to historical loss data and forward looking macro-economic data.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Bank has performed historical analysis and identified the key economic variables impacting credit risk ECL for each portfolio. The Bank formulates three economic scenarios (base case, upside and downside). Once an ECL calculation has been developed for each scenario, a weight is applied to each estimate based on the likelihood of occurrence to arrive at a final weighted ECL.

(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Credit risk *(continued)*

Incorporation of forward-looking information *(continued)*

The weighting assigned to each economic scenario as at June 30, 2024 was as follows:

	Base scenario	Upside scenario	Downside scenario
Sovereign exposures (Investments and Note Receivable)	91.00%	8.00%	1.00%
Loans and advances to customers	90.00%	9.00%	1.00%

The weighting assigned to each economic scenario as at June 30, 2023 was as follows:

	Base scenario	Upside scenario	Downside scenario
Sovereign exposures (Investments and Note Receivable)	91.00%	8.00%	1.00%
Loans and advances to customers	85.00%	8.00%	7.00%

The provision for loan losses reflects the Bank's economic outlook as of June 30, 2024. Tourism, the main economic driver, registered strong growth, supported by robust gains in both air and sea arrivals from key international markets. Additionally, inflation moderated for 2024 when compared to the previous year. Allowance for impairment losses on all sovereign exposures and money market placements recorded reversals of impairment due to improvement of the International Monetary Fund's ("IMF") prediction on GDP growth rate for 2024 and 2025.

The Bank considered for its loan portfolio the appropriate economic factors to be the Bahamas' unemployment rate. When considering its macroeconomic factors, Management applied a uniform unemployment rate to the entire portfolio.

The Bank determined its forward-looking economic factors for the purposes of the ECL calculation based on its expectation of the performance of the Bahamian economy. The assumptions are based on a continuation of the economy returning to normalcy.

Base Case Scenario
The Bank considered the IMF's forecast for 2025 for the base scenario, which it determined to be an indication of the continued economic growth driven by strong Tourism numbers.

Upside Scenario
The Bank determined that the upside scenario would be the unemployment rate for 2024, which along with 2023 represented the lowest unemployment data point for the past 15 years.

Downside Scenario
The Bank considered the unemployment rate for 2011 as the downside scenario, which was the highest unemployment data point excluding the pandemic period.

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32. Risk management *(continued)*

Incorporation of forward-looking information *(continued)*

Credit risk *(continued)*

Unemployment Rate	2024	2023
	Total Portfolio	Total Portfolio
Base	8.9%	11.8%
Upside	8.8%	11.7%
Downside	15.9%	25.6%

Maximum Exposure to Credit Risk

For financial assets recognised on the consolidated statement of financial position, the exposure to credit risk equals their carrying amount. For standby letters of credit, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the standby letters of credit are called upon. For mortgage commitments and revolving credit lines that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities. The maximum exposure to standby letters of credit and loan commitments are disclosed in Note 25. The following table contains an analysis of the credit risk exposure of financial assets for which an ECL allowance is recognised. The gross carrying amount of the financial assets represents the Bank's maximum exposure to the credit risk of these assets.

	Stage 1	Stage 2	Stage 3	Total 2024	Total 2023
Loans and accrued interest receivable	$ 343,418,788	$ 45,150,425	$ 46,669,646	$ 435,238,859	$ 413,355,441
Overdrafts and accrued interest receivable	824,907	24,499	162,447	1,011,853	972,080
Credit cards	1,842,651	1,119,118	8,635	2,970,404	2,513,798
	$ 346,086,346	$ 46,294,042	$ 46,840,728	$ 439,221,116	$ 416,841,319
Loan commitments, credit lines and guarantees	$ 43,910,724	$ -	$ -	$ 43,910,724	$ 13,447,109
Note receivable	$ -	$ 169,377,000	$ -	$ 169,377,000	$ 168,259,000
Investment securities	$ 62,652,559	$ 61,326,992	$ -	$ 123,979,551	$ 107,958,833

Transfers between Stages

At each reporting date, the Bank assesses whether the credit risk on its financial assets has increased significantly since initial recognition. The assessment of whether an asset is in Stage 1 or 2 considers the relative change in the PD occurring over the expected life of the instrument and is not assessed based on the change in the amount of the ECL. This involves setting quantitative tests combined with additional indicators such as credit risk classification and other observable inputs.

32. Risk management *(continued)*

Credit risk *(continued)*

Transfers between Stages *(continued)*

Transfers between Stages 1 and 2 are based on the assessment of significant increases in credit risk relative to initial recognition. The impact of moving from 12-month ECL to lifetime ECL, or vice versa, varies by portfolio and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in the Bank's ECL. Transfers from Stage 3 are addressed in the Bank's Non-Accrual Provisioning and Write-off Policy. Transfers from Stage 3 to lower stages is not automatic but is rather subject to an assessment or review period. The facility must meet the contractual repayments for six (6) consecutive months before reclassification.

Movement in Impairment Allowances by Stage

The impairment allowance recognised in the period is impacted by a variety of factors, including but not limited to:

- Transfers between Stage 1 and 2 or 3 due to financial assets experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL;
- There is an exception for Stage transfers for Credit Cards. If a credit card moves to Stage 2 or 3 and is subsequently brought current the Stage status does not revert to Stage 1. Rather, the status remains at Stage 2 for its lifetime ECL.
- Additional allowances for new financial assets recognised during the period, as well as releases for financial assets derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs, and LGDs in the period, arising from regular refreshing of inputs to the model;
- Impact on the measurement of ECL due to changes made to the model and assumptions; and
- Financial assets derecognised during the period and write-offs of allowances related to the assets that were written off during the period.

(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Credit risk *(continued)*

The following table explains the changes in the impairment allowance by portfolio between the beginning and the end of the annual period due to these factors.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Investment securities at amortised cost:					
Gross carrying amount	$ 62,652,559	$ 61,326,992	$ -	$ 123,979,551	$ 107,958,833
Loss allowance	(269,184)	(643,921)	-	(913,105)	(1,059,476)
Carrying amount	$ 62,383,375	$ 60,683,071	$ -	$ 123,066,446	$ 106,899,357

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Investment securities at amortised cost:					
Gross carrying amount as at July 1, 2023	$ 8,727,683	$ 99,231,150	$ -	$ 107,958,833	$ 70,912,178
Transfers:					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	22,189,463	(22,189,463)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	34,820,591	-	-	34,820,591	49,312,532
Financial assets fully derecognized during the year	(3,529,165)	(15,741,081)	-	(19,270,246)	(12,267,484)
Changes in principal and interest	443,987	26,386	-	470,373	-
Foreign exchange adjustment	-	-	-	-	1,607
Gross carrying amount as at June 30, 2024	$ 62,652,559	$ 61,326,992	$ -	$ 123,979,551	$ 107,958,833

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32. Risk management *(continued)*

Credit risk *(continued)*

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Investment securities at amortised cost:					
Loss allowance as at July 1, 2023	$ 77,926	$ 981,550	$ -	$ 1,059,476	$ 116,455
Transfers:					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Transfer from Stage 2 to Stage 1	93,982	(93,982)	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	107,563	-	-	107,563	350,848
Financial assets fully derecognized during the year	(28,904)	(9,316)	-	(38,220)	(2,465)
Changes to inputs used in ECL calculation	18,617	(234,331)	-	(215,714)	594,986
Foreign exchange adjustment	-	-	-	-	(348)
Loss allowance as at June 30, 2024	269,184	643,921	-	913,105	$ 1,059,476

Mortgage residential and mortgage commercial loans					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount	$ 151,939,708	$ 6,532,409	$ 39,421,237	$ 197,893,354	$ 192,440,976
Loss allowance	(1,441,082)	(926,354)	(22,698,590)	(25,066,026)	(25,729,408)
Carrying amount	$ 150,498,626	5,606,055	$ 16,722,647	$ 172,827,328	$ 166,711,568

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32. Risk management *(continued)*

Credit risk *(continued)*

Mortgage residential and mortgage commercial loans					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount as at July 1, 2023	$ 147,228,399	$ 3,859,044	$ 41,353,533	$ 192,440,976	$ 200,881,677
Transfers:					
Transfer from Stage 1 to Stage 2	(3,724,322)	3,724,322	-	-	-
Transfer from Stage 1 to Stage 3	(2,689,616)	-	2,689,616	-	-
Transfer from Stage 2 to Stage 1	1,752,810	(1,752,810)	-	-	-
Transfer from Stage 2 to Stage 3	-	(775,942)	775,942	-	-
Transfer from Stage 3 to Stage 1	614,410	-	(614,410)	-	-
Transfer from Stage 3 to Stage 2	-	1,714,786	(1,714,786)	-	-
New financial assets originated or purchased	25,768,503	-	-	25,768,503	20,698,834
Financial assets fully derecognized during the year	(7,281,489)	(214,673)	(4,394,612)	(11,890,774)	(22,159,821)
Changes in principal and interest	(9,728,987)	(22,318)	1,325,954	(8,425,351)	(6,979,714)
Gross carrying amount as at June 30, 2024	151,939,708	6,532,409	39,421,237	197,893,354	$ 192,440,976

Mortgage residential and mortgage commercial loans					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Loss allowance as at July 1, 2023	$ 2,017,981	$ 440,484	$ 23,270,943	$ 25,729,408	$ 28,095,710
Transfers:					
Transfer from Stage 1 to Stage 2	(132,438)	132,438	-	-	-
Transfer from Stage 1 to Stage 3	(20,731)	-	20,731	-	-
Transfer from Stage 2 to Stage 1	128,931	(128,931)	-	-	-
Transfer from Stage 2 to Stage 3	-	(3,089)	3,089	-	-
Transfer from Stage 3 to Stage 1	2,225	-	(2,225)	-	-
Transfer from Stage 3 to Stage 2	-	205,274	(205,274)	-	-
New financial assets originated or purchased	298,506	-	-	298,506	43,051
Financial assets fully derecognized during the year	(28,851)	(132)	(2,564,411)	(2,593,394)	(6,355,441)
Changes to inputs used in ECL calculation	(824,541)	280,310	2,175,737	1,631,506	3,946,088
Loss allowance as at June 30, 2024	1,441,082	926,354	22,698,590	25,066,026	$ 25,729,408

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32. Risk management *(continued)*

Credit risk *(continued)*

Commercial loans, overdrafts and Government	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount	$ 45,471,013	$ 37,249,886	$ 1,158,414	$ 83,879,313	$ 94,445,961
Loss allowance	(347,507)	(1,370,298)	(1,081,996)	(2,799,801)	(8,028,492)
Carrying amount	45,123,506	35,879,588	$ 76,418	$ 81,079,512	$ 86,417,469

Commercial loans, overdrafts and Government	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount as at July 1, 2023	$ 21,933,142	$ 54,574,933	$ 17,937,886	$ 94,445,961	$ 97,023,341
Transfers:					
Transfer from Stage 1 to Stage 2	(16,507)	16,507	-	-	-
Transfer from Stage 1 to Stage 3	(14,185)	-	14,185	-	-
Transfer from Stage 2 to Stage 1	14,996,487	(14,996,487)	-	-	-
Transfer from Stage 2 to Stage 3	-	(200)	200	-	-
Transfer from Stage 3 to Stage 1	509,279	-	(509,279)	-	-
Transfer from Stage 3 to Stage 2	-	7,135,143	(7,135,143)	-	-
New financial assets originated or purchased	20,749,107	-	-	20,749,107	21,015,816
Financial assets fully derecognized during the year	(395,293)	(39,721)	(16,286,748)	(16,721,762)	(13,874,823)
Changes in principal and interest	(12,291,017)	(9,440,289)	7,137,313	(14,593,993)	(9,718,373)
Gross carrying amount as at June 30, 2024	45,471,013	37,249,886	1,158,414	$ 83,879,313	$ 94,445,961

Commercial loans, overdrafts and Government	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Loss allowance as at July 1, 2023	$ 171,602	$ 999,998	$ 6,856,892	$ 8,028,492	$ 8,807,619
Transfers:					
Transfer from Stage 1 to Stage 2	(2,109)	2,109	-	-	-
Transfer from Stage 1 to Stage 3	(14,185)	-	14,185	-	-
Transfer from Stage 2 to Stage 1	210,967	(210,967)	-	-	-
Transfer from Stage 2 to Stage 3	-	(16)	16	-	-
Transfer from Stage 3 to Stage 1	18,471	-	(18,471)	-	-
Transfer from Stage 3 to Stage 2	-	906,618	(906,618)	-	-
New financial assets originated or purchased	1,026,247	-	-	1,026,247	504,410
Financial assets fully derecognized during the year	(943)	(950)	(5,901,515)	(5,903,408)	(1,187,246)
Changes to inputs used in ECL calculation	(1,062,543)	(326,494)	1,037,507	(351,530)	(96,291)
Loss allowance as at June 30, 2024	347,507	1,370,298	1,081,996	$ 2,799,801	$ 8,028,492

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Credit risk *(continued)*

Consumer loans, overdrafts and credit cards	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount	$ 148,675,625	$ 2,511,747	$ 6,261,077	$ 157,448,449	$ 129,954,382
Loss allowance	(4,150,043)	(751,403)	(5,038,144)	(9,939,590)	(10,776,533)
Carrying amount	$ 144,525,582	$ 1,760,344	$ 1,222,933	$ 147,508,859	$ 119,177,849

Consumer loans, overdrafts and credit cards	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Gross carrying amount as at July 1, 2023	$ 121,015,557	$ 2,490,490	$ 6,448,335	$ 129,954,382	$ 123,529,596
Transfers:					
Transfer from Stage 1 to Stage 2	(1,663,344)	1,663,344	-	-	-
Transfer from Stage 1 to Stage 3	(3,246,493)	-	3,246,493	-	-
Transfer from Stage 2 to Stage 1	218,645	(218,645)	-	-	-
Transfer from Stage 2 to Stage 3	-	(76,586)	76,586	-	-
Transfer from Stage 3 to Stage 1	42,715	-	(42,715)	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	61,500,498	-	-	61,500,498	41,302,529
Financial assets fully derecognized during the year	(22,107,424)	(1,438,118)	(3,138,605)	(26,684,147)	(28,007,519)
Changes in principal and interest	(7,084,529)	91,262	(329,017)	(7,322,284)	(6,870,224)
Gross carrying amount as at June 30, 2024	$ 148,675,625	$ 2,511,747	6,261,077	157,448,449	$ 129,954,382

Consumer loans, overdrafts and credit cards	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total 2024	Total 2023
Loans and advances to customers at amortised cost:					
Loss allowance as at July 1, 2023	$ 4,730,380	$ 865,398	$ 5,180,755	$ 10,776,533	$ 15,942,686
Transfers:					
Transfer from Stage 1 to Stage 2	(368,010)	368,010	-	-	-
Transfer from Stage 1 to Stage 3	(961,301)	-	961,301	-	-
Transfer from Stage 2 to Stage 1	18,460	(18,460)	-	-	-
Transfer from Stage 2 to Stage 3	-	(3,399)	3,399	-	-
Transfer from Stage 3 to Stage 1	231	-	(231)	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
New financial assets originated or purchased	2,078,136	-	-	2,078,136	1,802,886
Financial assets fully derecognized during the year	(830,724)	(617,002)	(2,170,303)	(3,618,029)	(8,546,681)
Changes to inputs used in ECL calculation	(517,129)	156,856	1,063,223	702,950	1,577,642
Loss allowance as at June 30, 2024	$ 4,150,043	751,403	5,038,144	9,939,590	$ 10,776,533

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Credit risk *(continued)*

ECL sensitivity analysis

Set out below are changes to the Bank's ECL as at June 30, 2024 and 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used by the Bank as key ECL drivers.

The ECL are sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios and collateral values, and how scenarios are incorporated into the calculations. Management performs a sensitivity analysis of the ECL.

		2024 ECL Impact of	
	Change in threshold	Increase in ECL allowance	Decrease in ECL allowance
Collateral haircut loans and advances to customers	(+/- 5)%	$ 1,579,670	$ 1,469,673
Unemployment rate	(+/- 5)%	2,889,584	1,924,251

		2023 ECL Impact of	
	Change in threshold	Increase in ECL allowance	Decrease in ECL allowance
Collateral haircut loans and advances to customers	(+/- 5)%	$ 2,575,695	$ 1,672,301
Unemployment rate	(+/- 5)%	2,766,669	1,801,825

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Credit risk *(continued)*

ECL sensitivity analysis *(continued)*

The Bank holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

	Percentage of exposure that is subject to collateral requirements		
	2024	2023	Principal type of collateral held
Investment securities (Note 6)	100%	100%	Marketable securities
Loans and advances to customers (Note 7)			
Mortgage residential loans	97%	97%	Residential Property
Mortgage commercial loans	99%	97%	Commercial Property
Commercial loans	92%	93%	Commercial Property
Consumer loans	24%	23%	Residential Property
Government	100%	100%	Guarantee
Credit cards	-	-	None
Business overdrafts	85%	80%	Commercial Property
Personal overdrafts	28%	15%	Residential Property
Note receivable (Note 8)	100%	100%	Guarantee

The Bank's physical assets as well as real estate collateral are impacted as a result of climate risk, most notably the risk of loss due to natural disasters. While the Bank does not have a formal climate related policy in place, the Bank mitigates against this risk by ensuring insurance policies are in place for its physical assets as well as assets held as collateral for loan facilities.

Foreign exchange risk

The Bank holds assets and liabilities denominated in currencies other than Bahamian dollars, the measurement currency of the Bank. Consequently, the Bank is exposed to foreign exchange risk since the values of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Bank manages these positions by matching assets with liabilities wherever possible. The table below summarises the Bank's exposure to foreign currency exchange risk at June 30, 2024 and 2023. Included in the table are the Bank's financial instruments at carrying amounts, categorized by currency.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Foreign exchange risk *(continued)*

The Bank holds assets and liabilities denominated in currencies other than Bahamian dollars, the measurement currency of the Bank. Consequently, the Bank is exposed to foreign exchange risk since the values of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Bank manages these positions by matching assets with liabilities wherever possible. The table below summarises the Bank's exposure to foreign currency exchange risk at June 30, 2024 and 2023. Included in the table are the Bank's financial instruments at carrying amounts, categorized by currency.

Concentrations of currency risk

			2024			
In ($000s)	B$	US$	CAD$	GBP£	Other	Total
Assets						
Cash and account with the Central Bank	$ 88,765	$ 2,306	$ -	$ 1	$ -	$ 91,072
Cash equivalents - Treasury Bills, net	67,643	-	-	-	-	67,643
Due from banks, net	255	92,773	84	-	-	93,112
Investment securities, net	124,021	9,115	-	-	-	133,136
Loans and advances to customers, net	395,009	6,406	-	1	-	401,416
Note receivable, net	168,471	-	-	-	-	168,471
Other assets	4,353	777	-	-	-	5,130
Total financial assets	$ 848,517	$ 111,377	$ 84	$ 2	$ -	$ 959,980
Liabilities						
Deposits from customers and banks	$ 724,823	$ 43,104	$ -	$ -	$ 341	$ 768,268
Other liabilities	13,945	1,310	50	13	1	15,319
Lease liabilities	4,574	-	-	-	-	4,574
Total financial liabilities	743,342	$ 44,414	$ 50	$ 13	342	$ 788,161
Net financial position	$ 105,175	$ 66,963	$ 34	$ (11)	$ (342)	$ 171,819
Loan commitments, credit lines and guarantees	$ 43,911	$ -	$ -	$ -	$ -	$ 43,911

			2023			
In ($000s)	B$	US$	CAD$	GBP£	Other	Total
Total financial assets	$ 802,553	$ 102,605	$ -	$ 1	$ -	$ 905,159
Total financial liabilities	716,078	44,675	44	29	348	761,174
Net financial position	$ 86,475	$ 57,930	$ (44)	$ (28)	$ (348)	$ 143,985
Loan commitments, credit lines and guarantees	$ 13,447	$ -	$ -	$ -	$ -	$ 13,447

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Operational risk

Operational risk relates to the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. It is mitigated by documented policies and procedures, staff training and a risk-based internal audit regime.

Interest rate risk

Interest rate risk is the potential for a negative impact on the consolidated statement of financial position and/or consolidated statement of comprehensive income or loss arising from adverse changes in the value of financial instruments as a result of changes in interest rates.

Interest rate sensitivity or interest rate risk results from differences in the maturities or re-pricing dates of assets and liabilities. Interest rate risk exposures or "gaps" may produce favorable or unfavorable effects on interest margins depending on the nature of the gap and the direction of interest rate movement and/or the expected volatility of those interest rates. Interest rate gaps are carefully monitored, and scenario tests are performed to determine the potential impact of various gap exposures. When assets have a shorter average maturity than liabilities, an increase in interest rates would have a positive impact on net interest margins, and conversely, if more liabilities than assets mature or are repriced in a particular time interval then a negative impact on net interest margin would result. The consolidated gap position shows more assets than liabilities repriced in periods greater than one year. This is a typical position for a financial institution with a large personal customer base.

The Bank analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration changes in interest rates. Based on these scenarios, the Bank calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. Based on the simulations performed, the impact on net income and consequently shareholders' equity of a 100-basis point shift would be a maximum increase or decrease of $0.8 million (2023: $1.6 million).

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended June 30, 2024
(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Interest rate risk *(continued)*

The table below summarises the Bank's financial instruments at carrying amounts, categorised by the interest rate sensitivity.

2024														
In ($000s)		Immediate repricing		Within 3 months		Over 3-12 months		Over 1-5 years		Over 5 years		Non-interest bearing		Total
Assets														
Cash and account with the Central Bank	$	-	$	-	$	-	$	-	$	-	$	91,072	$	91,072
Cash equivalents - Treasury Bills, net		-		67,643		-		-		-		-		67,643
Due from banks, net		92,857		-		-		-		-		255		93,112
Investment securities, net		20,089		-		35,149		66,164		1,665		10,069		133,136
Loans and advances to customers, net		398,425		-		-		-		-		2,991		401,416
Note receivable, net		168,471		-		-		-		-		-		168,471
Other assets		-		-		-		-		-		5,130		5,130
Total financial assets	$	679,842	$	67,643	$	35,149	$	66,164	$	1,665	$	109,517	$	959,980
Liabilities														
Deposits from customers and banks	$	767,651	$	617	$	-	$	-	$	-	$	-	$	768,268
Other liabilities		-		-		-		-		-		15,319		15,319
Lease liabilities		4,574		-		-		-		-		-		4,574
Total financial liabilities		772,225	$	617	$	-	$	-	$	-	$	15,319	$	788,161
Interest repricing gap	$	(92,383)	$	67,026	$	35,149	$	66,164	$	1,665	$	94,198	$	171,819

2023														
In ($000s)		Immediate repricing		Within 3 months		Over 3-12 months		Over 1-5 years		Over 5 years		Non-interest bearing		Total
Total financial assets	$	717,941	$	-	$	2,759	$	69,335	$	1,645	$	113,479	$	905,159
Total financial liabilities		742,170		-		1,505		400		-		17,099		761,174
Interest repricing gap	$	(24,229)	$	-	$	1,254	$	68,935	$	1,645	$	96,380	$	143,985

BANK OF THE BAHAMAS
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For the Year ended June 30, 2024
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32. **Risk management** *(continued)*

Liquidity risk

Liquidity risk is the potential for loss if the Bank is unable to meet financial commitments in a timely manner at reasonable prices as they fall due. Financial commitments include liabilities to depositors and suppliers, and lending, pledging and investment commitments. Managing liquidity and funding risk is essential to maintaining both depositor confidence and stability in earnings.

The Bank maintains a portion of its deposits in cash and other liquid assets to mitigate this risk. On a daily basis, the Bank monitors its cash and other liquid assets to check that they sufficiently meet the Bank's requirements. In addition, the Bank performs regular gap analyses showing the maturity exposure arising from the different maturity of assets and liabilities. As is the case throughout the sector, those gap analyses show that the Bank is liability-sensitive in the short term. Regular scenario tests are performed to determine the extent to which the Bank can withstand unforeseen withdrawals and the cost associated with meeting such demands should they arise.

Based on the Bank's liquidity position as at the date of authorization of these consolidated financial statements, management believes that the Bank has sufficient funding to meet its financial obligations.

BANK OF THE BAHAMAS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Bahamian Dollars)

32. Risk management *(continued)*

Liquidity risk *(continued)*

The following table summarises the undiscounted contractual amounts of financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

		2024								
In ($000s)		Within 3 months		Over 3-12 months		Over 1-5 years		Over 5 years		Total
Cash and account with the Central Bank	$	91,072	$	-	$	-	$	-	$	91,072
Cash equivalents - Treasury Bills		68,000		-		-		-		68,000
Due from banks		93,112		-		-		-		93,112
Investment securities		1,903		38,537		76,733		8,964		126,137
Loans and advances to customers		65,993		58,236		283,059		260,105		667,393
Note receivable		11,677		35,031		128,818		-		175,526
Other assets		5,130		-		-		-		5,130
Total financial assets	$	336,887		131,804		488,610		269,069	$	1,226,370

In ($000s)		Within 3 months		Over 3-12 months		Over 1-5 years		Over 5 years		Total
Deposits from customers and banks	$	638,355	$	73,441	$	48,522	$	18,122	$	778,440
Other liabilities		15,319		-		-		-		15,319
Lease liabilities		561		1,463		2,391		-		4,415
Total financial liabilities	$	654,235	$	74,904	$	50,913	$	18,122	$	798,174
Net position	$	(317,348)	$	56,900	$	437,697	$	250,947	$	428,196
Loan commitments, credit lines and guarantees	$	43,911	$	-	$	-	$	-	$	43,911

		2023								
In ($000s)		Within 3 months		Over 3-12 months		Over 1-5 years		Over 5 years		Total
Total financial assets	$	346,690	$	85,030	$	486,411	$	290,328	$	1,208,459
Total financial liabilities		611,689		72,018		65,040		22,575		771,322
Net position	$	(264,999)	$	13,012	$	421,371	$	267,753	$	437,137
Loan commitments, credit lines and guarantees	$	13,447	$	-	$	-	$	-	$	13,447

BANK OF THE BAHAMAS
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33. Subsidiaries

Subsidiaries of the Bank as at June 30, 2024 and 2023 are as follows:

Name	Place of Incorporation	Shareholding	Nature of business
Multi-Card Services Ltd.	Commonwealth of The Bahamas	100%	Card processing and services
West Bay Property Holdings Ltd.	Commonwealth of The Bahamas	100%	Investment Property
BOB Property Holdings Ltd.	Commonwealth of The Bahamas	100%	Property Holding


"
OUT OF EVERY FRUITION OF SUCCESS, NO MATTER WHAT, COMES FORTH SOMETHING TO MAKE A NEW EFFORT NECESSARY."
Walt Whitman

CORPORATE GOVERNANCE PRINCIPLES

The following principles were adopted by the Board of Directors ("the Board") of Bank of The Bahamas Limited ("the Bank") and provide the framework for corporate governance of the Bank.

ROLE OF BOARD OF DIRECTORS

The Bank's corporate governance structure seeks to protect the stakeholders of the Bank to ensure a lasting legacy for its shareholders, staff and the Bahamian community. The Board is ultimately responsible for the conduct of the Bank's affairs and operations. In light of this mandate, the Board provides oversight of the risks identified and ensures that they are adequately monitored and managed. Whilst the management of the day-to-day operations are delegated to the Bank's executives, the Board reviews policies and procedures and monitors the Bank's activities to ensure that its operations are carried out in compliance with applicable laws and regulations and are consistent with sound banking practices.

The Bank's *"Directors & Officers Corporate Governance Handbook"* addresses the powers, duties, responsibilities and roles of Directors such as:- the appointment of the Managing Director and all other Board appointments, approvals of the Budget, Strategic Plan, Remuneration Policies, assessing management's performance against approved objectives and strategies and providing the annual certification of compliance with the Central Bank's Corporate Governance Guidelines to the Inspector of Banks & Trust Companies.

BOARD COMMITTEES

The Board has implemented and maintains an effective corporate governance framework, which is facilitated by Board Committees, to ensure transparency and accountability to its stakeholders. These Committees assist the Board in carrying out its responsibilities and provide oversight to major functional areas. Each Committee is governed by a Mandate setting out matters relevant to the composition, responsibilities and administration of the Committee, and other matters that the Board may consider appropriate.

The Bank has six Board Committees, namely:

- Corporate Governance Committee
- Enterprise Risk Committee
- Operations Board Committee
- HR & Compensation Board Committee
- Audit & Finance Board Committee
- Credit Risk Management Board Committee

In June 2024, the Board further strengthened its governance framework by approving the implementation of an IT Governance Framework aligned with Control Objectives for Business Information & Technology (COBIT) 2019, as well as approved the IT Steering Committee to provide the governance oversight of this framework.

Director Attestations

As part of the Bank's corporate governance framework, Directors are required to submit attestations relative to their independence and understanding of the control environment of the Bank. Therefore, on an annual basis, the Board completes attestations which determine whether there are any possible conflicts of interest that may have arisen during the course of their term and attestations which seek to confirm their fiduciary responsibility to provide the necessary corporate governance oversight required.

Compensation of Directors

The total remuneration of the Board is approved by the shareholders at the Bank's Annual General Meeting ("AGM") and may be divided among members as they see fit.

Director Education

Each Director is expected to be knowledgeable about concepts discussed and to ensure that

decisions made by the Board are reasonable. Toward this end, the Bank provides ongoing educational opportunities for its directors through seminars and regulatory updates.

Independence of Directors

As part of the evaluation process, each candidate nominated to serve on the Board is required to complete, prior to onboarding and on an annual basis, the "Determinations with Respect to Independence, Conflicts of Interest & Related Party Transactions of Directors" questionnaire to determine their independence in accordance with best practices and within the Central Bank of The Bahamas' "Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business within and from within The Bahamas". We note that whilst a majority of the Board would not be considered independent according to the aforementioned Guidelines each member of the Board seeks to conduct themselves in accordance with the prevailing laws of The Bahamas and evolving best practice standards. It is incumbent upon the Directors and Officers of the Bank to view their own actions and intentions objectively in that they are accountable not only to the Bank's shareholders and depositors, but also to the Bank's regulatory supervisors. Bank directors are required to exercise reasonable care in governing the Bank's affairs and must consider the Bank's interest before their own.

BOARD MEETINGS

Board Committee meetings held during fiscal 2024 are as follows: -

Summary of Board Committee Meetings Held for the Year Ended June 30, 2024

Corporate Governance Board Committee	1
Audit & Finance Board Committee	4
Operations Board Committee	4
Human Resources & Compensation Board Committee	5
Enterprise Risk Board Committee	4
Credit Risk Management Committee	11

Attendance at Meetings

Regular attendance at all Board meetings, together with Board Committee meetings and the Annual General Meeting, is expected of all Directors. Following is a record of attendance of Directors at the quarterly Board Meetings during the 2024 fiscal year:

Preparation for, and Business of, Meetings

The Chairman along with the Corporate Secretary and Managing Director prepares the agenda for

For the period July 1, 2023 to June 30, 2024

BOD MEETINGS 2023

DIRECTOR	Aug. 30	Sept. 19	Sept. 21	Dec. 5	Dec. 28
Donna Harding-Lee	Present	Present	Present	Present	Present
Errol McKinney	Apologies	Present	Present	Present	Present
Neil T. Strachan	Present	Present	Present	Present	Present
Timothy Brown	Present	Present	Present	Present	Present
Whitney Patton	Present	Present	Present	Present	Present
Dywan Rodgers	Present	Present	Present	Present	Present
Taran Mackey	Present	Present	Present	Present	Present
Howard Thompson Jr.	Present	Present	Present	Present	n/a
Anastasia Ferguson-Pratt	Present	Present	Present	Present	Present
Mitzie Turnquest	Present	Present	Present	*	*

= Present   = Apologies   * = Deceased   n/a = was not a Director at that time

BOD MEETINGS 2024

DIRECTOR	Feb. 1	Mar. 19	April 24,	June 4	June 20
Donna Harding-Lee	Present	Present	Present	Present	Present
Errol McKinney	Present	Present	Present	Present	Present
Neil T. Strachan	Present	Present	Present	Present	Present
Timothy Brown	Present	Present	Present	Present	Present
Whitney Patton	Present	Present	Present	Present	Present
Dywan Rodgers	Present	Present	Present	Present	Apologies
Taran Mackey	Present	Present	Present	Present	Present
Anastasia Ferguson-Pratt	Present	Present	Apologies	Apologies	Present

= Present   = Apologies

each meeting. In addition, the Management team provides reports on key issues to their respective Board Committees on the various units of the Bank. Directors may also request that certain items be added to the agenda for discussion at the Board level.

Board Certification

Each year the Board is required to issue a Corporate Governance Statement to The Central Bank of The Bahamas ("CBOB") in accordance with the Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to do Business Within and from Within The Bahamas ("Corporate Governance Guidelines"). Prior to submission of this statement, the Board meets with the Internal Audit Department to discuss the controls tested via the audits performed under the Bank's Internal Audit Plan. The purpose of this exercise is to validate the Bank's compliance with the criteria as set out in the Corporate Governance Guidelines.

The Board provides oversight to management to seek remediation of issues that may be highlighted by the Central Bank. The Bank is generally in compliance with the laws, regulations, and guidelines to which it is subject. An action plan to implement the requirements or remedy the deficiencies stated in the most recent Central Bank reports was prepared and submitted to the Inspector, and the agreed remedial actions are being taken.

Following is a summary of Board Committee activities throughout the past fiscal year.

CORPORATE GOVERNANCE BOARD COMMITTEE

The Corporate Governance Committee is comprised of the Chairman of the Board, the Chairman of the HR & Compensation Board Committee and the Managing Director. This Committee provides oversight to ensure that Directors and Officers of the Bank conduct themselves in accordance with the Bank's Articles of Association, its Directors & Officers Corporate Governance Handbook and guidelines as outlined by regulatory and supervisory bodies.

During the year, the Committee addressed the following matters:

- Reviewed Board Committees and its membership taking into consideration skill sets, knowledge and experience of directors;
- Reviewed Board Committee mandates;
- Reviewed the Directors & Officers Corporate Governance Handbook to ensure that it is aligned with best practices;
- Organized Board Evaluations
- Arranged AML/CFT Training for Directors
- Provided oversight to the succession planning of key executive positions.
- Ratified the Mandate of the IT Steering Committee and appointed the Operations Chair and the IT Consultant to the Board to serve on this committee.

OPERATIONS BOARD COMMITTEE

The Operations Board Committee is chaired by Mr. Taran Mackey. This Committee is primarily responsible for ensuring that the operations of the Bank are consistent with its business objectives and strategies, efficient and effective customer service and internal controls.

In order to achieve its vision, the Bank identified several strategic initiatives to drive its strategic objective "Accelerating Growth" process. To this end, we are pleased to report that the Bank pursued several initiatives that we have seen come to fruition:

- Reduction in Over-the-Counter transactions, year over year, with resulting increased ATM transactions.
- Implementation of the Customer Portal for online account opening.
- Completion of Bulk Debit Card generation.
- Publishing of updated Terms and Conditions.
- Execution of an Agency Banking Agreement to expand services to our chain of Family Islands.
- A 93% completion rate for policy approvals.

As the strategic objective, "Accelerating Growth" continues, the Bank will continue its focus on the following operational initiatives:

- Complete digitization of the records management system.
- New/Improved facilities.
- Improved and expanded service delivery.
- Improved operating efficiency.
- Continued development of a well-trained work force.
- Focus on adding value to stakeholder expectations.

AUDIT & FINANCE BOARD COMMITTEE

The Audit and Finance Board Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities relating to financial reporting, external and internal audit functions, finance and compliance with legal and regulatory requirements. This Committee is chaired by Mrs. Anastasia Ferguson-Pratt.

During the fiscal year, the Audit & Finance Committee, amongst others, reviewed and addressed the following matters: -

- Considered the issues and findings presented by the internal and external audit teams during the fiscal year and satisfied itself that management had resolved, or is in the process of effectively resolving, any outstanding issues or concerns on a timely basis. Issues deemed unduly delayed were specifically highlighted and followed up.
- Reviewed the regulatory reporting requirements and ensured that all matters were effectively addressed.
- Reviewed and approved the publication of quarterly unaudited financial statements.
- Oversaw the relationship between the Bank and external auditors.
- Approved the Annual Internal Audit Plan, ensuring that it was risk based and appropriately addressed the Board approved Strategic Plan
- Quarterly reviewed the work of the internal audit function in executing the Audit Plan.

CREDIT RISK MANAGEMENT BOARD COMMITTEE

The Credit Risk Management Board Committee is chaired by Mr. Timothy Brown. This Committee provides guidance to the Board relative to the credit risk appetite of the Bank and oversees the identification, assessment, monitoring and management of credit risk impacting the Bank.

The Committee is primarily responsible for providing oversight with respect to:

- Adequacy of credit policies;
- Establishment and approval of lending limits for the Bank and the adherence thereof;
- Ensuring that credit is extended in accordance with established policies and relevant laws, regulations, guidelines, accepted business practices and ethical standards;
- Ensuring that the credit process is managed appropriately and effectively;
- Authorizing and approving loans of credit applications in excess of the Board approved risk appetite delegated to the adjudication function but within the Credit Committee's lending limit upon recommendation by Credit Risk Management;
- Oversight of Management's administration of the Bank's credit portfolio and compliance with applicable credit risk related policies, procedures and tolerances.
- During the past year the Committee focused on the following initiatives:
- Enhancing the Bank's Credit Risk Management by updating policies relative to Corporate and Commercial Services, Large Exposures & Credit Concentration, Residential Mortgage, and Collections;
- Strengthening the Credit Governance Structure of the Bank along with the Credit Risk appetite;
- Updating the Bank's provisioning processes, procedures and practices; and
- Implemented Phase 2 of the Commercial Lending and Loan Origination Software ("CLOS").

ENTERPRISE RISK BOARD COMMITTEE

All committee Chairpersons are members of the Enterprise Risk Board Committee, which is chaired by Mr. Whitney Patton. Its mandate is to provide guidance to the Board in defining the risk appetite for the Bank and overseeing the identification, assessment, monitoring and managing of all major risks that may impact the Bank. The responsibilities include:

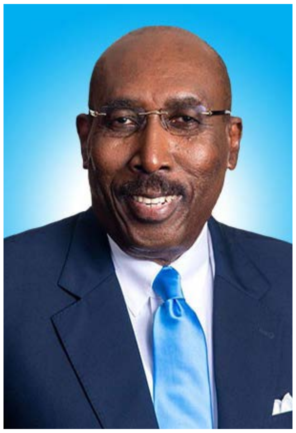
- Review and recommend for Board approval, after consultation with Senior Management, the risk appetite of the Bank, the Bank's inherent risks and tolerance levels, the Bank's strategic direction and the overall risk management strategy.
- Oversee the management of key policies and procedures for an effective risk management strategy.
- Ensure that the Enterprise Risk Management framework is embedded into the Bank's culture.
- Ensure that the Bank's Strategic Priorities are reviewed and assessed at minimum annually.

The Bank has completed the assessment of its enterprise-related risks; inclusive of its Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing (AML/CFT/PF) risks. The comprehensive analysis and documentation of the Bank's AML/CFT/PF risk management framework embeds into the Bank's policies the following new and amended AML legislation, regulations and guidelines:

- Financial Transactions Reporting Act, 2018.
- Proceeds of Crime Act, 2018.
- Financial Transactions Reporting (wire transfer) Regulations, 2018.
- Financial Transactions Reporting Regulations, 2018.
- Anti-Terrorism Act, 2018
- Streamline Requirements for Account Opening, Provisions of Financial Services and Customer Identification.

During the year, the committee also reviewed and approved the Bank's existing Enterprise Risk Management Framework, including but not limited to, the Risk Appetite Framework, as developed by Senior Management; the Charter of Expectations relative to the Operational Risk Department (encompassing the monitoring of Credit Risk, Information Security and Operational Risk); significant policies and procedures relating to Enterprise Risk Management, Compliance and Legal Risks.

The Board Committee ensured that adequate attention was paid to the management of Compliance Risk, which represents risks related to the failure to comply with or to adapt to current and changing regulations and laws.



HUMAN RESOURCES AND COMPENSATION BOARD COMMITTEE

Under the leadership of Mr. Errol McKinney, the HR and Compensation Board Committee has maintained strategic oversight and alignment with the Bank's long-term objectives. The Human Resources & Training Department has successfully implemented key initiatives focused on leadership development, employee engagement, process improvements, and the reinforcement of the Bank's core values. These initiatives reflect the Bank's commitment to fostering an environment that supports both personal and professional growth, ensuring the continued success of the employees and organization

- **Leadership Training and Development**

Recognizing the critical role leadership plays in driving success, the Bank invested in comprehensive leadership development programs. These initiatives were designed not only to enhance managerial competencies and operational effectiveness but also to instill the Bank's core values in its leadership. As a result, the leaders are better prepared to navigate the complexities of the evolving business landscape, ensuring both agility and a values-driven approach to decision-making.

- **Emphasis on Core Values**

At the heart of all the initiatives this year has been a renewed focus on the Bank's core values. These values—Leadership, excellence, attitude and ethics, people development and team work—have been consistently emphasized through leadership training, employee engagement programs, and everyday operations. Whether through "Core Values Series" discussions, which explored how these principles guide our actions, or through practical applications in performance management, the Bank has made concerted efforts to ensure these values remain central to how we work. This cultural reinforcement has fostered a stronger sense of purpose and alignment across the organization.

- **Employee Engagement**

Employee engagement remained a top priority throughout the year. The Bank implemented a variety of programs aimed at strengthening connections within the organization, fostering a positive work environment, and promoting the core values that strengthen the corporate culture. These efforts have reinforced the importance of accountability, collaboration, and integrity, providing employees with opportunities for personal and professional development while aligning their contributions with the Bank's mission and vision.

- **Compensation and Benefits**

The Bank continues to prioritize transparency in its compensation and benefits offerings. In addition to conducting market surveys to ensure competitiveness, information sessions were held across all branches and departments to keep employees informed of updates. These initiatives promoted satisfaction and engagement, aligning with our core values by emphasizing fairness and clarity. By staying attuned to market trends and fostering open communication, the Bank ensured that all employees had the tools and knowledge to succeed.

- Strengthened Communication

Open communication is a cornerstone of our corporate culture and remains central to the Bank's HR strategy. The "Coffee with Leadership" sessions, along with "Fireside Chats," provided employees with direct access to senior leadership, creating open forums to address various matters, including the Bank's financial performance and strategic initiatives. These initiatives fostered transparency, building trust while reinforcing the Bank's core values. By promoting respect, accountability, and mutual understanding, these sessions have helped to cultivate a workplace environment where employees feel engaged and aligned with the Bank's broader goals.

- Training and Development

Our commitment to continuous learning and growth was evident in the renewed focus on performance management and coaching, fostering a culture of improvement and collaboration. Development initiatives extended across multiple locations, ensuring that training was accessible to all employees. In addition to these efforts, technical training in credit and operations equipped employees with the skills needed to excel in key areas of the Bank's operations. This training, combined with a focus on how the Bank's core values guide decision-making and interpersonal relationships, ensures that employees at every level embody these principles in their roles, further aligning their work with the Bank's strategic goals.

- Recognitions and Celebrations

Celebrating employee achievements and contributions has been a crucial aspect of reinforcing our core values. Throughout the year, the Bank recognized individual and team accomplishments, highlighting how these successes reflect the organization's commitment to excellence, integrity, and customer service. Enhanced onboarding experiences also helped new employees integrate seamlessly into the Bank, with a focus on instilling the Bank's values from the outset.

- Future Focus Areas

Looking ahead, the Bank will continue to prioritize the refinement of engagement initiatives, the expansion of leadership development, the enhancement of employee support programs, and the optimization of recruitment strategies. The key focus will be to ensure that the Bank's core values remain deeply integrated into every aspect of the employee experience. By fostering a culture that is both resilient and adaptable, we aim to position the Bank to meet future challenges with confidence. We remain committed to strengthening the Bank's human resources and driving strategic progress. By focusing on leadership, employee engagement, and process improvements—anchored in the core values—we are confident that the Bank is well-positioned for continued growth and success in the years ahead.

Notes

Notes

BRANCH LOCATIONS

ANDROS
Kemp's Bay Branch* (242) 369-1787
Mangrove Cay (242) 369-0502

BIMINI
Alice Town* (242) 347-2106

CAT ISLAND
Knowles* (242) 342-2230

ELEUTHERA
Rock Sound* (242) 334-2620

GRAND BAHAMA
Freeport* (242) 350-3600

INAGUA
Matthew Town* (242) 339-1264

NEW PROVIDENCE
Shirley Street Branch* (242) 397-3400
Carmichael Road* (242) 461-3500
JFK Drive* ** (242) 397-3200
Village Road* (242) 396-6000

SAN SALVADOR
Cockburn Town* (242) 331-2237

* ATM(s) at location
** Drive Through ATM at location

OFFSITE ATM LOCATIONS

GRAND BAHAMA
FOCOL Service Station
Queen's Highway, Eight-Mile-Rock

Sawyer's Fresh Market ATM,
Lucaya, Grand Bahama

NEW PROVIDENCE
Ministry of Education Building
Thompson Boulevard
(University Drive)

Blue Marlin Esso Plaza
(formerly Roker's; Carmichael Road)

The Island Luck Building
(Cable Beach)

The Bahamas Development Bank
(Robinson Road)

RUBiS
(Gladstone Road)

Arawak Cay
(West Bay Street)

Quality Home Centre
(Prince Charles Drive)

Porky's RUBiS Service Station ATM,
East Street South

CUSTOMER CARE

LOCAL
(242) 225-5262 OR (242) 461-3510

FAMILY ISLAND TOLL FREE
(242) 300-0111

INTERNATIONAL TOLL FREE
(877) 204-5110

Email

bob.info@bankbahamas.com
card.center@bankbahamas.bs

CUSTOMER EXPERIENCE UNIT

(242) 397-3038

Email

Customer.Experience@bankbahamas.bs

AUTO FINANCING
CONSUMER FINANCING
MORTGAGE FINANCING
SMALL BUSINESS LENDING
COMMERCIAL LENDING
OVERDRAFT FACILITIES
ONLINE BANKING
MOBILE BANKING
WIRE TRANSFERS
CERTIFICATES OF DEPOSIT

B$ INVESTMENT CERTIFICATES
SAVINGS ACCOUNTS
CHEQUING ACCOUNTS
CARD SERVICES
CHRISTMAS CLUB ACCOUNTS
AUTOMATED TELLER MACHINES
MERCHANT SERVICES
PAYROLL SERVICES
SAFETY DEPOSIT BOXES
PREMIER & PRIVATE BANKING

BOB

Bank of Solutions.

Special thanks to the British Colonial Hotel, venue for Board & Management photos.