

BANK OF THE BAHAMAS LIMITED
Unaudited Condensed Financial Statements
For the Quarter Ended December 31, 2025

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION

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

	December 31, 2025	June 30, 2025
ASSETS		
Cash and account with The Central Bank	\$ 129,785,256	\$ 82,407,295
Cash equivalents - Treasury Bills, net	54,244,188	54,811,907
Due from banks	107,643,919	76,736,877
Investment securities, net	131,497,707	129,150,616
Loans and advances to customers, net	516,892,564	497,607,630
Note receivable, net	166,078,130	166,837,512
Investment property	6,744,000	6,744,000
Other assets	15,487,738	13,038,842
Property and equipment, net	16,022,187	16,287,524
Right-of-use assets, net	4,111,507	5,207,497
Computer software, net	5,074,721	5,551,503
TOTAL	<u>\$ 1,153,581,917</u>	<u>\$ 1,054,381,203</u>
LIABILITIES		
Deposits from customers and banks	\$ 888,098,348	\$ 799,533,582
Other liabilities	20,570,896	16,626,151
Lease liabilities	4,262,575	5,363,242
Deferred loan fees	4,735,627	4,365,753
Total liabilities	<u>917,667,446</u>	<u>825,888,728</u>
EQUITY		
Share capital	43,194,515	43,194,515
Share premium	81,950,384	81,950,384
Treasury shares	(1,318,224)	(1,318,224)
Special retained earnings	172,122,932	172,122,932
Accumulated deficit	(60,035,136)	(67,457,132)
Total equity	<u>235,914,471</u>	<u>228,492,475</u>
TOTAL	<u>\$ 1,153,581,917</u>	<u>\$ 1,054,381,203</u>

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended December 31, 2025

with comparatives for the six months ended December 31, 2024

(Expressed in Bahamian Dollars)

	Three Months		Six Months	
	2025	2024*	2025	2024*
Interest and similar income	\$ 14,646,016	\$ 13,776,554	\$ 29,067,692	\$ 26,448,805
Interest and similar expense	(754,013)	(1,063,617)	(1,861,947)	(2,141,920)
Net interest income	<u><u>13,892,003</u></u>	<u><u>12,712,937</u></u>	<u><u>27,205,745</u></u>	<u><u>24,306,885</u></u>
Fees and commission income	3,868,380	3,810,801	7,785,702	7,232,435
Fees and commission expense	(90,453)	(58,865)	(173,039)	(206,228)
Net fees and commission income	<u><u>3,777,927</u></u>	<u><u>3,751,936</u></u>	<u><u>7,612,663</u></u>	<u><u>7,026,207</u></u>
Other operating income	1,185,289	1,390,844	2,427,865	2,564,351
Total operating income	<u><u>18,855,219</u></u>	<u><u>17,855,717</u></u>	<u><u>37,246,273</u></u>	<u><u>33,897,443</u></u>
Operating expenses	(13,282,907)	(12,348,381)	(25,301,146)	(23,722,984)
Net impairment losses	(993,582)	(1,389,918)	(3,234,346)	(1,755,192)
Net income	<u><u>\$ 4,578,730</u></u>	<u><u>\$ 4,117,418</u></u>	<u><u>\$ 8,710,781</u></u>	<u><u>\$ 8,419,267</u></u>
EARNINGS PER SHARE CALCULATION:				
COMMON SHARES	<u><u>42,959,494</u></u>	<u><u>42,959,494</u></u>	<u><u>42,959,494</u></u>	<u><u>42,959,494</u></u>
EARNINGS PER SHARE	<u><u>\$ 0.11</u></u>	<u><u>\$ 0.10</u></u>	<u><u>\$ 0.20</u></u>	<u><u>\$ 0.20</u></u>

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the six months ended December 31, 2025

with comparatives for the six months ended December 31, 2024

(Expressed in Bahamian Dollars)

	Share Capital	Share Premium	Treasury Shares	Special Retained Earnings	Accumulated Deficit	Total
Balance at June 30, 2024*	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (96,293,542)	\$ 199,656,065
<i>Total comprehensive income:</i>						
Net income for the period	-	-	-	-	8,419,267	8,419,267
Dividends paid to common shareholders	-	-	-	-	(859,190)	(859,190)
Balance at December 31, 2024*	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (88,733,465)	\$ 207,216,142
 Balance at June 30, 2025	 \$ 43,194,515	 \$ 81,950,384	 \$ (1,318,224)	 \$ 172,122,932	 \$ (67,457,132)	 \$ 228,492,475
<i>Total comprehensive income:</i>						
Net income for the period	-	-	-	-	8,710,781	8,710,781
Dividends paid to common shareholders	-	-	-	-	(1,288,785)	(1,288,785)
Balance at December 31, 2025	\$ 43,194,515	\$ 81,950,384	\$ (1,318,224)	\$ 172,122,932	\$ (60,035,136)	\$ 235,914,471

*Refer to Note 2.

BANK OF THE BAHAMAS LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

For the six months ended December 31, 2025
 with comparatives for the six months ended December 31, 2024
 (Expressed in Bahamian Dollars)

	2025	2024*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 8,710,781	\$ 8,419,267
Adjustments for:		
Interest income	(29,067,692)	(26,448,805)
Interest expense	1,861,947	2,141,920
Depreciation and amortization	3,234,240	2,986,194
Gain on revaluation of investment securities FVTPL	(174,299)	(158,678)
Impairment losses, net	3,234,346	1,755,192
	<u>(12,200,677)</u>	<u>(11,304,910)</u>
Changes in:		
Loans and advances to customers, net	(22,343,242)	(29,043,368)
Deposits from customers and banks	89,365,925	5,675,442
Other assets	(2,362,440)	1,210,789
Other liabilities	3,944,745	5,137,376
Deferred loan fees	369,874	(92,904)
Reserve deposit	(2,448,920)	464,200
	<u>66,525,942</u>	<u>(16,648,465)</u>
Interest received	28,645,905	25,888,927
Interest paid	(2,663,106)	(2,275,311)
Net cash provided by/(used in) operating activities	<u>80,308,064</u>	<u>(4,339,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(922,609)	(1,491,459)
Acquisition of computer software	(473,521)	(1,803,842)
Purchase of investment securities	(33,000,000)	(28,000,000)
Proceeds from maturity of investment securities	30,986,500	24,766,800
Net cash used in investing activities	<u>(3,409,630)</u>	<u>(6,528,501)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(1,100,667)	(1,191,134)
Dividends paid on common shares	(1,288,785)	(859,190)
Redemption of notes receivable	759,382	506,255
Net cash used in financing activities	<u>(1,630,070)</u>	<u>(1,544,069)</u>
Net increase/(decrease) in cash and cash equivalents	75,268,364	(12,412,329)
Cash and cash equivalents, beginning of period	183,430,852	223,229,235
Cash and cash equivalents, end of period	<u>\$ 258,699,216</u>	<u>\$ 210,816,906</u>

*Refer to Note 2.

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

For the period ended December 31, 2025
(Expressed in Bahamian Dollars)

1. Corporate Information

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

The Bank’s shares are publicly traded and listed on The Bahamas International Securities Exchange. As at December 31, 2025, The Government of The Commonwealth of The Bahamas (the “Government”) and The National Insurance Board (“NIB”) owned approximately 82.6% of the issued common shares. The remaining common shares are owned by approximately 3,000 Bahamian shareholders.

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

During fiscal 2025, the Bank established Agency Banking in Abaco. Effective August 1, 2025, the Bank discontinued its acceptance and processing of American Express cardholder payments under the card remittance service agreement. As at December 31, 2025, the Bank has twelve branches: four in New Providence, one in Grand Bahama, two in Andros, one in San Salvador, one in Inagua, one in Cat Island, one in Eleuthera and one in Bimini.

2. Significant Accounting Policies

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

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

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

For the period ended December 31, 2025
(Expressed in Bahamian Dollars)

2. Significant Accounting Policies (continued)

The annual financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank’s accounting policies.

3. Dividends

Dividends to the Bank’s shareholders are recognized as a liability in the period in which they are declared by the Board of Directors and approved by the Bank’s Regulator. The Bank declared dividends of \$0.03 per share and paid dividends on November 13, 2025, totaling \$1.3 million to its common shareholders during the year (June 30, 2025: \$1.7 million).

4. Cash and Cash Equivalents

	December 31, 2025	June 30, 2025
Cash	\$ 30,070,178	\$ 18,068,713
Deposits with the Central Bank- non-interest bearing	99,715,078	64,338,582
Cash and account with the Central Bank	129,785,256	82,407,295
Cash equivalents - Treasury Bills	54,279,491	54,847,210
Due from banks	107,643,919	76,736,877
Cash, cash equivalents and due from banks	291,708,666	213,991,382
Less: Mandatory reserve deposits with the Central Bank	33,009,450	30,560,530
Total cash and cash equivalents	\$ 258,699,216	\$ 183,430,852

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

As at December 31, 2025, the Bank’s statutory reserve deposits with The Central Bank of The Bahamas were above Central Bank’s regulatory requirement.

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

For the period ended December 31, 2025
(Expressed in Bahamian Dollars)

5. Loans and advances to customers, net

	December 31, 2025	June 30, 2025
Mortgage residential loans	\$ 215,929,280	\$ 216,895,833
Mortgage commercial loans	4,573,538	4,454,953
Commercial loans	76,579,860	74,867,291
Consumer loans	226,802,449	211,448,973
Government	18,372,373	16,393,800
Credit cards	4,205,685	3,808,623
Business overdrafts	1,962,698	1,768,258
Personal overdrafts	490,108	170,943
	<hr/> \$ 548,915,991	<hr/> \$ 529,808,674
Less: Provision for loan losses		
Provision at beginning of year	\$ 34,155,901	\$ 37,537,890
Amount written-off/charged off	(3,235,926)	(201,746)
Impairment losses/(reversals), net	3,234,346	(3,180,243)
Provision at end of period	<hr/> 34,154,321	<hr/> 34,155,901
Accrued interest receivable, net	2,130,894	1,954,857
Loans and advances to customers, net	<hr/> \$ 516,892,564	<hr/> \$ 497,607,630
Provisions as a percentage of the gross loan portfolio	6.22%	6.45%
Non-accrual loans as a percentage of loan portfolio (net)	5.58%	7.33%
Non-accrual loans as a percentage of loan portfolio (gross)	5.25%	6.88%

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

For the period ended December 31, 2025
(Expressed in Bahamian Dollars)

6. Note Receivable, net and Special Retained Earnings

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

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

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

For the period ended December 31, 2025
(Expressed in Bahamian Dollars)

7. Regulatory Capital

The Bank's total regulatory capital consists of the sum of total Common Equity Tier 1 capital only, net of regulatory adjustments. CET1 plus capital buffers must be at least 18% and the minimum leverage ratio must be at 6%. The Bank remains compliant with total regulatory capital at 40.6% as at December 31, 2025 (June 30, 2025: 42.0%) and leverage ratio of 18.2% as at December 31, 2025 (June 30, 2025: 20.6%).

8. Commitments and Contingencies

Commitments

The commitment for loans and advances at December 31, 2025 was \$134.3 million (June 30, 2025: \$28.7 million).

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

The commitment for letters of credit and guarantees at December 31, 2025 was \$3.5 million (June 30, 2025: \$3.6 million)

Contingencies and Provision

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