



FINANCIAL PERFORMANCE FOR THE QUARTER ENDED MARCH 31, 2017

During fiscal 2016, the Bank began a journey to transform Bank of The Bahamas (“the Bank” or “BOB”) into a customer centric institution with sustainable profitability, providing good returns for investors and stability and growth for depositors. From our previous quarter’s MD&A, we summarized to you the positive strides that are being made towards these goals, and as we report on our third quarter result we continue to focus on our initiatives around Collections, Sales and Services, Corporate Governance, Cost Optimization and Customer Care. Through these initiatives, we at BOB are committed to returning the Bank to profitability, ensuring that each customer experience is exceptional, and that the solutions we provide are cutting edge.

Collections: The Bank has successfully restructured more than \$22.0 million since the start of the transformation strategy.

Sales and Service:

Total operating income (TOI) increased from prior year by \$0.8 million or 10.20% for the quarter and a minimal decrease of \$0.4 million or 1.48% year to date. The Bank continues to strengthen its auxiliary revenue streams. Through various sales and services programs, the Bank has been focused in growing its revenue base and as a result we have seen overall increases in net fees and commission income of more than \$1.0 million year-over-year.

The Bank’s total assets amounted to \$745.7 million with \$498.5 million pertaining to net loans and advances as at March 31, 2017. One of the Bank’s most successful initiatives is the debt-consolidation program which contributed \$27.5 million in new loans.

Corporate Governance:

The Bank continued to be in compliance with its key capital ratios of Tier 1 and Total Capital.

Cost Optimization:

The Bank continued to manage our shareholders’ resources judiciously as we successfully reduced operating expenses by \$0.3 million or 3.67% for the quarter and \$0.9 million or 3.58% year to date.

The Bank recorded year to date net loss of \$11.0 million compared to \$6.9 million in the prior year due to increased credit loss expenses as Management continues to conservatively provide for our loan portfolio. The Bank’s total B\$ provisions for its loan portfolio is at 18.7% which exceeds the industry average of 6.5%.

Sustainable growth, effective management of our non-performing loans and improving operational efficiency, remain the primary focus for the Bank. As we prudently, systematically and urgently improve in these areas, the Bank will return to profitability. Management is optimistic that The Bank is on the path to recovery.

We are grateful to our BOB team of employees, senior management, directors, shareholders and most importantly our customers who have remained loyal in their continued support of the Bank.

Renee Davis (Mrs.)
Acting Managing Director