

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED BALANCE SHEET (Unaudited)**  
**As of April 30, 2010 and**  
**October 31, 2009**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>April 30, 2010</b>	<b>October 31, 2009</b>
Cash	\$ 48,803,265	\$ 45,330,690
Statutory reserve account with The Central Bank of The Bahamas	36,343,388	37,589,768
Investments	48,519,591	49,596,040
Loans - Net	792,713,147	772,442,403
Fixed assets - Net	2,169,905	2,369,819
Other assets	<u>1,819,457</u>	<u>645,351</u>
<b>TOTAL</b>	<u><u>\$ 930,368,753</u></u>	<u><u>\$ 907,974,071</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$ 806,258,941	\$ 823,508,692
Other liabilities	1,756,639	2,327,784
Note payable	<u>37,300,000</u>	<u>-</u>
Total liabilities	<u>\$ 845,315,580</u>	<u>\$ 825,836,476</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
General reserve	500,000	500,000
Retained earnings	<u>76,667,581</u>	<u>73,752,003</u>
Total shareholders' equity	<u>85,053,173</u>	<u>82,137,595</u>
<b>TOTAL</b>	<u><u>\$ 930,368,753</u></u>	<u><u>\$ 907,974,071</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**Six Months Ended April 30, 2010**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended April 30, 2010</b>	<b>Three Months Ended April 30, 2009</b>	<b>Six Months Ended April 30, 2010</b>	<b>Six Months Ended April 30, 2009</b>
<b>INCOME</b>				
Net interest income	\$ 6,931,287	\$ 6,921,977	\$ 13,617,753	\$ 14,070,697
Provision for credit losses	<u>(1,395,002)</u>	<u>(4,552,318)</u>	<u>(6,301,257)</u>	<u>(9,927,126)</u>
<b>Net interest after provision for credit losses</b>	5,536,285	2,369,659	7,316,496	4,143,571
Fees and commissions	<u>839,231</u>	<u>794,270</u>	<u>1,690,558</u>	<u>1,698,453</u>
<b>Total income</b>	<u>6,375,516</u>	<u>3,163,929</u>	<u>9,007,054</u>	<u>5,842,024</u>
<b>NON-INTEREST EXPENSES</b>				
Total non-interest expenses	<u>3,008,971</u>	<u>3,096,497</u>	<u>6,091,476</u>	<u>6,142,351</u>
<b>NET COMPREHENSIVE INCOME</b>	<u><u>\$ 3,366,545</u></u>	<u><u>\$ 67,432</u></u>	<u><u>\$ 2,915,578</u></u>	<u><u>\$ (300,327)</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Six Months Ended April 30, 2010**  
**(Expressed in Bahamian dollars)**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at October 31, 2008</b>	5,333,334	2,552,258	500,000	83,056,040	91,441,632
Net loss for the period				(300,327)	(300,327)
Dividends				(6,933,334)	(6,933,334)
<b>Balance at April 30, 2009</b>	<b>5,333,334</b>	<b>2,552,258</b>	<b>500,000</b>	<b>75,822,379</b>	<b>84,207,971</b>
<b>Balance at October 31, 2009</b>	5,333,334	2,552,258	500,000	73,752,003	82,137,595
Net profit for the period				2,915,578	2,915,578
<b>Balance at April 30, 2010</b>	<b>5,333,334</b>	<b>2,552,258</b>	<b>500,000</b>	<b>76,667,581</b>	<b>85,053,173</b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Six Months Ended April 30, 2010**  
**(Expressed in Bahamian dollars)**

	<b>April 30, 2010</b>	<b>April 30, 2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 2,915,578	\$ (300,327)
Adjustments for:		
Depreciation	274,321	297,559
Provision for credit losses	6,301,257	9,927,126
Loss on disposal of fixed assets	93	15,999
	<u>9,491,249</u>	<u>9,940,357</u>
Changes in operating assets and liabilities	(498,871)	(5,879,636)
Increase in loans and advances, net	(26,572,001)	(41,641,309)
Increase in deposits	(17,249,751)	39,947,547
Net cash from operating activities	<u>(34,829,374)</u>	<u>2,366,959</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(74,500)	(219,741)
Net Proceeds from investments	1,076,449	724,355
Net cash from investing activities	<u>1,001,949</u>	<u>504,614</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Note payable	37,300,000	-
Dividends paid	-	(1,733,334)
	<u>37,300,000</u>	<u>(1,733,334)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,472,575	1,138,239
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>45,330,690</u>	<u>28,028,462</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 48,803,265</u>	<u>\$ 29,166,701</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Six Months Ended April 30, 2010**

**1. ACCOUNTING POLICIES**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of these interim financial statements are consistent with those used in the audited financial statements for the year ended October 31, 2009.

**2. NOTE PAYABLE**

On November 2, 2009 the parent company of Finance Corporation of Bahamas Limited (FINCO) agreed to convert \$34.7 million, which was held on deposit with FINCO into a note payable. This note bears interest at 5.00% per annum and is due for repayment on or before August 1, 2012.