

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED BALANCE SHEET (Unaudited)**  
**As of April 30, 2012 and October 31, 2011**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>April 30, 2012</b>	<b>October 31, 2011</b>
Cash and cash equivalents	\$ 52,528,276	\$ 33,345,833
Balance with The Central Bank of The Bahamas	39,003,392	39,372,285
Loans and advances to customers	847,514,678	842,331,063
Investment securities	47,375,233	54,888,120
Premises and equipment	1,494,793	1,899,736
Other assets	<u>1,256,134</u>	<u>813,731</u>
<b>TOTAL</b>	<b><u>\$ 989,172,506</u></b>	<b><u>\$ 972,650,768</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer deposits	\$ 825,580,292	\$ 807,570,366
Other borrowed funds	37,300,000	37,300,000
Affiliated companies	-	6,000,000
Other liabilities	<u>2,203,783</u>	<u>2,689,141</u>
Total liabilities	<b><u>\$ 865,084,075</u></b>	<b><u>\$ 853,559,507</u></b>
<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>115,702,839</u>	<u>110,705,669</u>
Total shareholders' equity	<b><u>124,088,431</u></b>	<b><u>119,091,261</u></b>
<b>TOTAL</b>	<b><u>\$ 989,172,506</u></b>	<b><u>\$ 972,650,768</u></b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**Six Months Ended April 30, 2012**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended April 30, 2012</b>	<b>Three Months Ended April 30, 2011</b>	<b>Six Months Ended April 30, 2012</b>	<b>Six Months Ended April 30, 2011</b>
Interest income	\$ 17,649,952	\$ 16,437,660	\$ 35,388,286	\$ 32,474,107
Interest expense	<u>(6,464,061)</u>	<u>(8,289,266)</u>	<u>(13,794,206)</u>	<u>(17,197,859)</u>
<b>Net interest income</b>	11,185,891	8,148,394	21,594,080	15,276,248
Non-interest income	<u>1,025,213</u>	<u>876,507</u>	<u>1,938,258</u>	<u>1,733,969</u>
<b>Total income</b>	<u>12,211,104</u>	<u>9,024,901</u>	<u>23,532,338</u>	<u>17,010,217</u>
Non-interest expense	(2,903,273)	(3,144,940)	(6,012,391)	(6,291,245)
Impairment losses on loans and advances	<u>(11,504,255)</u>	<u>842,361</u>	<u>(12,522,777)</u>	<u>(5,809,747)</u>
<b>Total net and comprehensive income for the period</b>	<u><u>\$ (2,196,424)</u></u>	<u><u>\$ 6,722,322</u></u>	<u><u>\$ 4,997,170</u></u>	<u><u>\$ 4,909,225</u></u>
Earnings per share	<u><u>\$ (0.08)</u></u>	<u><u>\$ 0.25</u></u>	<u><u>\$ 0.19</u></u>	<u><u>\$ 0.18</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Six Months Ended April 30, 2012**  
**(Expressed in Bahamian dollars)**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at October 31, 2010</b>	5,333,334	2,552,258	500,000	91,940,079	100,325,671
Net profit for the period	-	-	-	4,909,225	4,909,225
<b>Balance at April 30, 2011</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>96,849,304</u>	<u>105,234,896</u>
<b>Balance at October 31, 2011</b>	5,333,334	2,552,258	500,000	110,705,669	119,091,261
Net profit for the period	-	-	-	4,997,170	4,997,170
<b>Balance at April 30, 2012</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>115,702,839</u>	<u>124,088,431</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Six Months Ended April 30, 2012**  
**(Expressed in Bahamian dollars)**

	April 30, 2012	April 30, 2011
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 4,997,170	\$ 4,909,225
Adjustments for:		
Impairment losses on loans and advances to customers	12,522,777	5,809,747
Depreciation and amortization of tangible assets	212,846	271,864
(Gain) loss on disposal of premises and equipment	244,291	(11,540)
	<u>17,977,084</u>	<u>10,979,296</u>
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>		
Balances with Central Bank	368,893	543,710
Loans and advances to customers	(17,706,392)	(16,108,971)
Other assets	(442,403)	(1,052,263)
<b>INCREASE/(DECREASE) IN OPERATING ASSETS</b>		
Affiliated companies	(6,000,000)	15,000,000
Customers' deposits	18,009,926	(22,523,452)
Other liabilities	(485,358)	2,117,380
<b>Cash used in operating activities</b>	<u>11,721,750</u>	<u>(11,044,300)</u>
<b>INVESTING ACTIVITIES</b>		
Net movement in investment securities	7,512,887	(2,591,996)
Additions to premises and equipment	(52,194)	(158,786)
Proceeds from sales of premises and equipment	-	-
<b>Cash used in investing activities</b>	<u>7,460,693</u>	<u>(2,750,782)</u>
	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	19,182,443	(13,795,082)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>33,345,833</u>	<u>61,028,719</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 52,528,276</u>	<u>\$ 47,233,637</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Six Months Ended April 30, 2012**

**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, 2011.

**2. IMPAIRMENT FOR LOAN LOSSES**

At each reporting period, management assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. The Bank continues to assess a specific provision on specifically identified borrowers that have become impaired based on the timing of future cash flows, financially responsible guarantors and the realization of collateral. Included in the results for the three months ended April 30, 2012 is the effect of a change in the estimate for the time value of money for loan losses which resulted in an increase of \$9.1 million.