

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED BALANCE SHEET (Unaudited)**  
**As of April 30, 2014 and October 31, 2013**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>April 30, 2014</b>	<b>October 31, 2013</b>
Cash and cash equivalents	\$ 56,705,174	\$ 47,691,909
Balance with The Central Bank of The Bahamas	48,886,576	42,381,412
Loans and advances to customers	868,648,422	865,233,609
Investment securities	40,346,421	40,383,566
Premises and equipment	889,628	1,023,660
Other assets	<u>2,683,134</u>	<u>506,154</u>
<b>TOTAL</b>	<b><u>\$ 1,018,159,355</u></b>	<b><u>\$ 997,220,310</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer deposits	\$ 813,459,598	\$ 759,176,935
Due to affiliated companies	36,504,092	77,218,701
Other liabilities	<u>6,269,482</u>	<u>7,059,618</u>
Total liabilities	<b><u>\$ 856,233,172</u></b>	<b><u>\$ 843,455,254</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>153,540,591</u>	<u>145,379,464</u>
Total shareholders' equity	<b><u>161,926,183</u></b>	<b><u>153,765,056</u></b>
<b>TOTAL</b>	<b><u>\$ 1,018,159,355</u></b>	<b><u>\$ 997,220,310</u></b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**Six Months Ended April 30, 2014**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended April 30, 2014</b>	<b>Three Months Ended April 30, 2013</b>	<b>Six Months Ended April 30, 2014</b>	<b>Six Months Ended April 30, 2013</b>
Interest income	\$ 16,702,755	\$ 16,363,532	\$ 33,683,523	\$ 32,951,474
Interest expense	<u>(4,919,313)</u>	<u>(5,312,044)</u>	<u>(9,991,747)</u>	<u>(10,762,003)</u>
<b>Net interest income</b>	11,783,442	11,051,488	23,691,776	22,189,471
Non-interest income	<u>1,141,577</u>	<u>1,052,813</u>	<u>2,168,143</u>	<u>1,977,069</u>
<b>Total income</b>	<u>12,925,019</u>	<u>12,104,301</u>	<u>25,859,919</u>	<u>24,166,540</u>
Non-interest expense	(4,931,079)	(1,944,467)	(8,151,683)	(4,826,466)
Impairment losses on loans and advances	<u>(2,581,945)</u>	<u>(624,164)</u>	<u>(5,547,108)</u>	<u>(2,857,654)</u>
<b>Total net and comprehensive income for the period</b>	<u><u>\$ 5,411,995</u></u>	<u><u>\$ 9,535,670</u></u>	<u><u>\$ 12,161,128</u></u>	<u><u>\$ 16,482,420</u></u>
Earnings per share	<u><u>\$ 0.20</u></u>	<u><u>\$ 0.36</u></u>	<u><u>\$ 0.46</u></u>	<u><u>\$ 0.62</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Six Months Ended April 30, 2014**  
**(Expressed in Bahamian dollars)**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at October 31, 2012</b>	5,333,334	2,552,258	500,000	121,687,492	130,073,084
Net profit for the period	-	-	-	16,482,420	16,482,420
Dividends	-	-	-	(4,000,001)	(4,000,001)
<b>Balance at April 30, 2013</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>134,169,911</u>	<u>142,555,503</u>
<b>Balance at October 31, 2013</b>	5,333,334	2,552,258	500,000	145,379,464	153,765,056
Net profit for the period	-	-	-	12,161,128	12,161,128
Dividends	-	-	-	(4,000,001)	(4,000,001)
<b>Balance at April 30, 2014</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>153,540,591</u>	<u>161,926,183</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Six Months Ended April 30, 2014**  
**(Expressed in Bahamian dollars)**

	April 30, 2014	April 30, 2013
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 12,161,128	\$ 16,482,420
Adjustments for:		
Impairment losses on loans and advances to customers	5,547,108	2,857,654
Depreciation and amortization of tangible assets	134,032	150,779
	<u>17,842,268</u>	<u>19,490,853</u>
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>		
Balances with Central Bank	(6,505,164)	1,001,941
Loans and advances to customers	(8,961,921)	(13,767,932)
Other assets	(2,176,980)	(1,004,932)
<b>INCREASE/(DECREASE) IN OPERATING ASSETS</b>		
Due to affiliated companies	(40,714,609)	25,359,521
Customers' deposits	54,282,663	(18,988,675)
Other liabilities	(790,136)	4,630,862
<b>Cash from operating activities</b>	<u>12,976,121</u>	<u>16,721,638</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of premises and equipment	37,145	9,888
<b>Cash from investing activities</b>	<u>37,145</u>	<u>9,888</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(4,000,001)	(4,000,001)
	<u>(4,000,001)</u>	<u>(4,000,001)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,013,265	12,731,525
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>47,691,909</u>	<u>37,577,094</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 56,705,174</u>	<u>\$ 50,308,619</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Six Months Ended April 30, 2014**

**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, 2013.

**2. CAPITAL ACTIVITY**

On December 18, 2013 and March 26, 2014 the Board of Directors declared dividends of \$0.10 and \$0.05 respectively.

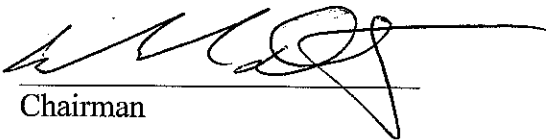


**FINANCE CORPORATION OF BAHAMAS LIMITED**

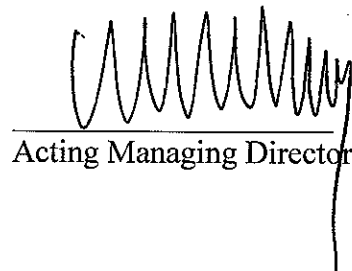
**Chairman's review of the unaudited results  
For the six months ended April 30, 2014**

We wish to report that the Bank's net profit for the six months ended April 30, 2014 was \$12.2 million which represents a decrease of 26% when compared to the corresponding period for 2013. Higher loan loss provisions and operating costs are the drivers of this profit reduction.

Loan balances increased by 2.2% over the previous year, and non-performing loans remain stubbornly high. The Bank's capital ratio, which is comprised mainly of Tier 1 capital, remains strong at 26.67% and exceeds regulatory requirements.



Chairman



Acting Managing Director