

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)**  
**As of April 30, 2016 and October 31, 2015**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>April 30, 2016</b>	<b>October 31, 2015</b>
Cash and cash equivalents	\$ 75,673,105	\$ 72,809,826
Balance with The Central Bank of The Bahamas	51,868,004	50,268,339
Loans and advances to customers	817,380,552	827,446,983
Investment securities	35,770,700	36,460,500
Premises and equipment	533,161	658,356
Other assets	6,544,907	4,789,573
<b>TOTAL</b>	<b>\$ 987,770,429</b>	<b>\$ 992,433,577</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer deposits	\$ 680,959,213	\$ 699,728,060
Due to affiliated companies	108,187,790	108,631,629
Other liabilities	7,534,828	8,766,474
Total liabilities	\$ 796,681,831	\$ 817,126,163
<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	182,703,006	166,921,822
Total shareholders' equity	191,088,598	175,307,414
<b>TOTAL</b>	<b>\$ 987,770,429</b>	<b>\$ 992,433,577</b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**AND COMPREHENSIVE INCOME (Unaudited)**  
**Six Months Ended April 30, 2016**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended April 30, 2016</b>	<b>Three Months Ended April 30, 2015</b>	<b>Six Months Ended April 30, 2016</b>	<b>Six Months Ended April 30, 2015</b>
Interest income	\$ 16,343,457	\$ 16,619,820	\$ 32,125,089	\$ 33,486,089
Interest expense	<u>(3,603,285)</u>	<u>(3,818,599)</u>	<u>(7,684,183)</u>	<u>(7,880,003)</u>
<b>Net interest income</b>	12,740,172	12,801,221	24,440,906	25,606,086
Non-interest income	<u>706,569</u>	<u>692,961</u>	<u>1,327,044</u>	<u>1,278,100</u>
<b>Total income</b>	<u>13,446,741</u>	<u>13,494,182</u>	<u>25,767,950</u>	<u>26,884,186</u>
Non-interest expense	(3,114,659)	(1,732,871)	(6,186,264)	(5,166,505)
Impairment losses on loans and advances	<u>334,461</u>	<u>(2,295,672)</u>	<u>(3,800,502)</u>	<u>(5,920,667)</u>
<b>Total net and comprehensive income for the period</b>	<u><b>\$ 10,666,543</b></u>	<u><b>\$ 9,465,639</b></u>	<u><b>\$ 15,781,184</b></u>	<u><b>\$ 15,797,014</b></u>
Earnings per share	<u><b>\$ 0.40</b></u>	<u><b>\$ 0.35</b></u>	<u><b>\$ 0.59</b></u>	<u><b>\$ 0.59</b></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Six Months Ended April 30, 2016**  
**(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, 2014</b>	5,333,334	2,552,258	500,000	141,316,152	149,701,744
Net comprehensive income	-	-	-	15,797,014	15,797,014
<b>Balance at April 30, 2015</b>	5,333,334	2,552,258	500,000	157,113,166	165,498,758
<b>Balance at October 31, 2015</b>	5,333,334	2,552,258	500,000	166,921,822	175,307,414
Net comprehensive income	-	-	-	15,781,184	15,781,184
<b>Balance at April 30, 2016</b>	5,333,334	2,552,258	500,000	182,703,006	191,088,598

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Six Months Ended April 30, 2016**  
**(Expressed in Bahamian dollars)**

	April 30, 2016	April 30, 2015
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 15,781,184	\$ 15,797,015
Adjustments for:		
Impairment losses on loans and advances to customers	3,800,502	5,814,043
Depreciation and amortization of tangible assets	67,224	85,528
Loss on disposal of fixed assets	57,971	-
	<u>19,706,881</u>	<u>21,696,586</u>
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>		
Balances with Central Bank	(1,599,665)	(3,505,164)
Loans and advances to customers	6,265,929	(2,265,802)
Other assets	(1,755,334)	(1,728,226)
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES</b>		
Due to affiliated companies	(443,839)	60,173,591
Customers' deposits	(18,768,847)	(82,226,120)
Other liabilities	(1,231,646)	(1,600,911)
<b>Cash from operating activities</b>	<u>2,173,479</u>	<u>(9,456,046)</u>
<b>INVESTING ACTIVITIES</b>		
Net decrease in investment securities	689,800	2,536,721
Purchase of premises and equipment	-	(61,255)
<b>Cash from investing activities</b>	<u>689,800</u>	<u>2,475,466</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,863,279	(6,980,580)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>72,809,826</u>	<u>51,479,021</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 75,673,105</u>	<u>\$ 44,498,441</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Six Months Ended April 30, 2016**

**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, 2015, except as noted below.

**2. RECLASSIFICATION**

Accrued interest on investment securities, loans and advances and customer deposits have been reclassified and included in other assets and other liabilities on the consolidated statement of financial position. The comparative figures have been reclassified to accord with the current period's presentation.



**FINANCE CORPORATION OF BAHAMAS LIMITED**

**Chairman's review of the unaudited results  
For the six months ended April 30, 2016**

We wish to report that the bank's net profit for the six months ended April 30, 2016 was \$15.8 million and represents a marginal decrease of 0.1% when compared to the corresponding period for 2015. While the bank experienced lower impairment losses on loans, lower interest income and higher operating costs affected the period's net income.

The bank continues to face challenges with new credit origination in a very competitive market and non-performing loans remain high in a sluggish economy. However, the bank's capital ratio, which is comprised mainly of Tier 1 capital, remains strong at 32.9% and is above regulatory requirements.

Chairman

A handwritten signature in blue ink, appearing to be 'C. W.', written over a horizontal line.

Managing Director

A handwritten signature in black ink, appearing to be 'S. J.', written over a horizontal line.