

Fidelity Bank (Bahamas) Limited
(Incorporated under the laws of the Commonwealth of The Bahamas)

Consolidated Statement of Financial Position (Unaudited)
As of 30 September 2018
(Expressed in Bahamian dollars)

	2018	2017
	\$	\$
ASSETS		
Cash on hand and at banks	143,084,294	103,858,986
Investment securities	83,056,679	88,496,767
Loans and advances to customers	423,805,555	408,644,237
Other assets	5,315,056	2,599,954
Investments in joint ventures	12,902,532	13,247,977
Property, plant and equipment	10,729,089	10,922,222
	<u>678,893,205</u>	<u>627,770,143</u>
Total assets	678,893,205	627,770,143
LIABILITIES		
Deposits from customers	549,905,147	493,516,569
Accrued expenses and other liabilities	1,221,333	1,004,008
Debt securities	34,670,150	43,932,963
	<u>585,796,630</u>	<u>538,453,540</u>
Total liabilities	585,796,630	538,453,540
EQUITY		
Capital – ordinary shares	20,380,694	20,363,328
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	299,536	373,659
Reserve for credit losses	-	4,090,372
Retained earnings	57,416,345	49,489,244
	<u>93,096,575</u>	<u>89,316,603</u>
Total equity	93,096,575	89,316,603
Total liabilities and equity	678,893,205	627,770,143

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Comprehensive Income (Unaudited) For the Nine Months Ended 30 September 2018 (Expressed in Bahamian dollars)

	<u>3 Months Ended</u> <u>30 September</u> <u>2018</u> \$	<u>9 Months Ended</u> <u>30 September</u> <u>2018</u> \$	<u>9 Months Ended</u> <u>30 September</u> <u>2017</u> \$
INCOME			
Interest income			
Bank deposits, loans and advances	16,144,464	46,965,682	42,886,069
Investment securities	<u>900,307</u>	<u>2,681,582</u>	<u>2,619,913</u>
	17,044,771	49,647,264	45,505,982
Interest expense	<u>(3,075,416)</u>	<u>(9,865,973)</u>	<u>(11,397,556)</u>
Net interest income	13,969,355	39,781,291	34,108,426
Fees and commissions	744,192	2,127,761	2,072,819
Rental income	20,156	60,469	60,469
Other income	<u>(139,444)</u>	<u>241,610</u>	<u>246,519</u>
Total income	<u>14,594,259</u>	<u>42,211,131</u>	<u>36,488,233</u>
EXPENSES			
Salaries and employee benefits	3,049,019	8,621,745	7,285,318
General and administrative	2,695,758	8,580,332	7,598,080
Provision for loan losses	1,463,187	7,318,317	6,060,650
Depreciation and amortisation	<u>360,860</u>	<u>1,095,577</u>	<u>1,078,337</u>
Total expenses	<u>7,568,824</u>	<u>25,615,971</u>	<u>22,022,385</u>
Operating profit	7,025,435	16,595,160	14,465,848
Share of profits of joint ventures	<u>118,944</u>	<u>1,515,751</u>	<u>1,652,224</u>
Net income and total comprehensive income	<u><u>7,144,379</u></u>	<u><u>18,110,911</u></u>	<u><u>16,118,072</u></u>
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Weighted average number of ordinary shares outstanding	28,805,104	28,802,999	28,793,927
Earnings per share	0.24	0.60	0.56

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Nine Months Ended 30 September 2018 (Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Capital – Preference Shares \$	Revaluation Reserve \$	Reserve for Credit Losses \$	Retained Earnings \$	Total \$
As of 31 December 2017	20,363,328	15,000,000	373,659	4,090,372	49,489,244	89,316,603
Effects of changes in accounting policies	-	-	-	(4,090,372)	(2,606,335)	(6,696,707)
As of 1 January 2018	<u>20,363,328</u>	<u>15,000,000</u>	<u>373,659</u>	<u>-</u>	<u>46,882,909</u>	<u>82,619,896</u>
Comprehensive income						
Net income	-	-	-	-	18,110,911	18,110,911
Total comprehensive income	-	-	-	-	18,110,911	18,110,911
Transfers						
Depreciation transfer	-	-	(74,123)	-	74,123	-
Appropriation for credit losses	-	-	-	-	-	-
Total transfers	-	-	<u>(74,123)</u>	-	<u>74,123</u>	-
Transactions with owners						
Issuance of ordinary shares	17,366	-	-	-	48,563	65,929
Dividends – preference shares	-	-	-	-	(483,493)	(483,493)
Dividends – ordinary shares	-	-	-	-	(7,216,668)	(7,216,668)
Total transactions with owners	<u>17,366</u>	-	-	-	<u>(7,651,598)</u>	<u>(7,634,232)</u>
As of 30 September 2018	<u>20,380,694</u>	<u>15,000,000</u>	<u>321,187</u>	<u>-</u>	<u>57,416,345</u>	<u>93,096,575</u>
Dividends per share	<u>0.25</u>	<u>0.32</u>				

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Year Ended 31 December 2017 (Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Capital – Preference Shares \$	Revaluation Reserve \$	Reserve for Credit Losses \$	Retained Earnings \$	Total \$
As of 1 January 2017	<u>20,333,243</u>	<u>15,000,000</u>	<u>392,251</u>	<u>3,855,116</u>	<u>43,981,810</u>	<u>83,562,420</u>
Comprehensive income						
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,053,528</u>	<u>21,053,528</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,053,528</u>	<u>21,053,528</u>
Transfers						
Depreciation transfer	<u>-</u>	<u>-</u>	<u>(18,592)</u>	<u>-</u>	<u>18,592</u>	<u>-</u>
Appropriation for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,256</u>	<u>(235,256)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(18,592)</u>	<u>235,256</u>	<u>(216,664)</u>	<u>-</u>
Transactions with owners						
Issuance of ordinary shares	<u>30,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,315</u>	<u>109,400</u>
Dividends – preference shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(975,410)</u>	<u>(975,410)</u>
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,433,335)</u>	<u>(14,433,335)</u>
Total transactions with owners	<u>30,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,329,430)</u>	<u>(15,299,345)</u>
As of 31 December 2017	<u>20,363,328</u>	<u>15,000,000</u>	<u>373,659</u>	<u>4,090,372</u>	<u>49,489,244</u>	<u>89,316,603</u>
Dividends per share	<u>0.50</u>	<u>0.65</u>				

Fidelity Bank (Bahamas) Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Nine Months Ended 30 September 2018 (Expressed in Bahamian dollars)

Capital Management

The objectives of Fidelity Bank (Bahamas) Limited (the Bank) when managing capital, which comprises total equity on the face of the consolidated statement of financial position, are:

- To comply with the capital requirements set by the Central Bank of The Bahamas (the Central Bank).
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques designed to ensure compliance with guidelines established by the Central Bank, including quantitative and qualitative measures. The required information is filed with the Central Bank on a quarterly basis.

The Central Bank, the Bank's principal regulator, requires that the Bank maintains a ratio of total regulatory capital to risk-weighted assets at or above a minimum of 14.00%. For the nine months ended 30 September 2018 and the year ended 31 December 2017, the Bank complied with all of the externally imposed capital requirements to which it is subject.