

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As of January 31, 2019 and October 31, 2018
(Expressed in Bahamian dollars)

ASSETS	January 31, 2019	October 31, 2018
Cash and cash equivalents	\$ 32,332,881	\$ 17,633,063
Balance with central banks	41,660,845	59,768,306
Loans and advances to customers	700,529,705	704,779,674
Investment securities	30,025,356	29,948,060
Premises and equipment	255,326	259,540
Other assets	<u>6,491,135</u>	<u>4,965,888</u>
TOTAL	<u><u>\$ 811,295,248</u></u>	<u><u>\$ 817,354,531</u></u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	\$ 496,344,700	\$ 502,913,724
Due to affiliated companies	105,550,765	108,085,319
Other liabilities	<u>5,187,604</u>	<u>4,770,015</u>
Total liabilities	<u><u>\$ 607,083,069</u></u>	<u><u>\$ 615,769,058</u></u>
SHAREHOLDERS' EQUITY		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
Other components of equity	13,458	(15,740)
Retained earnings	<u>196,313,129</u>	<u>193,715,621</u>
Total shareholders' equity	<u><u>204,212,179</u></u>	<u><u>201,585,473</u></u>
TOTAL	<u><u>\$ 811,295,248</u></u>	<u><u>\$ 817,354,531</u></u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
Three Months Ended January 31, 2019
(Expressed in Bahamian dollars)

	Three Months Ended January 31, 2019	Three Months Ended January 31, 2018
Interest income	\$ 12,224,136	\$ 13,625,842
Interest expense	<u>(2,216,089)</u>	<u>(2,437,755)</u>
Net interest income	10,008,047	11,188,087
Non-interest income	<u>486,535</u>	<u>551,842</u>
Total revenue	10,494,582	11,739,929
Non-interest expense	(3,765,983)	(3,384,149)
Impairment losses on loans and advances	<u>(4,131,091)</u>	<u>(5,217,738)</u>
Net income	2,597,508	3,138,042
Other comprehensive income:		
<i>Items that may be reclassified to net income</i>		
Net change in fair value of investments	-	-
Net gains on investments in debt instruments measured at FVOCI	32,974	18,900
Expected credit losses on FVOCI investments	<u>(3,776)</u>	<u>17,299</u>
Total comprehensive income for the period	<u>\$ 2,626,706</u>	<u>\$ 3,174,241</u>
Earnings per share	<u><u>\$ 0.10</u></u>	<u><u>\$ 0.12</u></u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Three Months Ended January 31, 2019
(Expressed in Bahamian dollars)

	Share Capital \$	Share Premium \$	Other Components Equity \$	Retained Earnings \$	Total \$
Balance at October 31, 2017	5,333,334	2,552,258	239,085	200,979,555	209,104,232
Transition adjustment	-	-	(257,985)	(24,582,215)	(24,840,200)
Restated as at November 1, 2017	5,333,334	2,552,258	(18,900)	176,397,340	184,264,032
Net profit for the period	-	-	-	3,138,042	3,138,042
Other comprehensive income	-	-	36,199	-	36,199
Total comprehensive income	-	-	36,199	3,138,042	3,174,241
Dividends	-	-	-	(4,000,000)	(4,000,000)
Balance at January 31, 2018	5,333,334	2,552,258	17,299	175,535,382	183,438,273
Balance at October 31, 2018	5,333,334	2,552,258	(15,740)	193,715,621	201,585,473
Net profit for the period	-	-	-	2,597,508	2,597,508
Other comprehensive income	-	-	29,198	-	29,198
Total comprehensive income	-	-	29,198	2,597,508	2,626,706
Dividends	-	-	-	-	-
Balance at January 31, 2019	5,333,334	2,552,258	13,458	196,313,129	204,212,179

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Three Months Ended January 31, 2019
(Expressed in Bahamian dollars)

	January 31, 2019	January 31, 2018
OPERATING ACTIVITIES		
Net income	\$ 2,597,508	\$ 3,138,042
Adjustments for:		
Provision for credit losses	4,131,091	5,217,738
Depreciation and amortization of tangible assets	4,214	20,572
	<u>6,732,813</u>	<u>8,376,352</u>
 (INCREASE)/DECREASE IN OPERATING ASSETS		
Balances with Central Bank	18,107,461	(390,819)
Loans and advances to customers	115,102	825,848
Other assets	(1,525,247)	(550,062)
INCREASE/(DECREASE) IN OPERATING ASSETS		
Affiliated companies	(2,534,554)	3,516,882
Customers' deposits	(6,569,024)	(5,065,264)
Other liabilities	417,589	710,337
Cash from operating activities	<u>14,744,140</u>	<u>7,423,274</u>
 INVESTING ACTIVITIES		
Net movement in premises and equipment	-	-
Net movement in investment securities	(77,296)	2,613,200
Cash from investing activities	<u>(77,296)</u>	<u>2,613,200</u>
 FINANCING ACTIVITIES		
Dividends paid	-	(4,000,000)
	-	(4,000,000)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	14,666,844	6,036,474
Effects of fair value changes on cash and cash equivalents	32,974	36,199
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>17,633,063</u>	<u>38,245,212</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 32,332,881</u>	<u>\$ 44,317,885</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Three Months Ended January 31, 2019

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, 2018.



FINANCE CORPORATION OF BAHAMAS LIMITED

Chairman's review of the unaudited results For the three months ended January 31, 2019

We wish to report that the Bank's net profit for the three months ended January 31, 2019 was \$2.6 million and represents a decrease of 17% when compared to the corresponding period for 2018. This decrease is mainly attributed to lower interest income and an increase in operational expenses.

The Bank continues to face challenges with new credit origination. Non-performing loans at \$128 million increased slightly by 1% year over year and by 3% compared to the previous quarter. The Bank's capital ratio continues to be strong and above regulatory requirements at 39.8% and is comprised mainly of Tier 1 capital.

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Chairman

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

Managing Director