

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As of April 30, 2019 and October 31, 2018
(Expressed in Bahamian dollars)

ASSETS	April 30, 2019	October 31, 2018
Cash and cash equivalents	\$ 45,015,325	\$ 17,633,063
Balance with central bank	42,095,484	59,768,306
Loans and advances to customers	693,397,346	704,779,674
Investment securities	30,345,961	29,948,060
Premises and equipment	252,165	259,540
Other assets	5,850,382	4,965,888
TOTAL	\$ 816,956,663	\$ 817,354,531
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	\$ 494,719,616	\$ 502,913,724
Due to affiliated companies	105,835,641	108,085,319
Other liabilities	5,613,200	4,770,015
Total liabilities	\$ 606,168,457	\$ 615,769,058
SHAREHOLDERS' EQUITY		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
Other components of equity	13,937	(15,740)
Retained earnings	202,888,677	193,715,621
Total shareholders' equity	210,788,206	201,585,473
TOTAL	\$ 816,956,663	\$ 817,354,531

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND COMPREHENSIVE INCOME (Unaudited)

Six Months Ended April 30, 2019
(Expressed in Bahamian dollars)

	Three Months Ended April 30, 2019	Three Months Ended April 30, 2018	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Interest income	\$ 11,755,395	\$ 12,954,968	\$ 23,979,531	\$ 26,580,810
Interest expense	<u>(2,105,099)</u>	<u>(2,206,750)</u>	<u>(4,321,188)</u>	<u>(4,644,505)</u>
Net interest income	9,650,296	10,748,218	19,658,343	21,936,305
Non-interest income	<u>611,015</u>	<u>517,316</u>	<u>1,097,550</u>	<u>1,069,158</u>
Total income	<u>10,261,311</u>	<u>11,265,534</u>	<u>20,755,893</u>	<u>23,005,463</u>
Non-interest expense	(3,402,955)	(3,543,391)	(7,168,938)	(6,927,540)
Provision for credit losses	<u>2,383,859</u>	<u>(4,517,781)</u>	<u>(1,747,231)</u>	<u>(9,735,519)</u>
Net income	<u>9,242,215</u>	<u>3,204,362</u>	<u>11,839,724</u>	<u>6,342,404</u>
Other comprehensive income:				
<i>Items that may be reclassified to net income</i>				
Net gains on investments in debt instruments measured at FVOCI	29,183	18,900	29,183	18,900
Expected credit losses on FVOCI investments	<u>494</u>	<u>-</u>	<u>494</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 9,271,892</u>	<u>\$ 3,223,262</u>	<u>\$ 11,869,401</u>	<u>\$ 6,361,304</u>
Earnings per share	<u>\$ 0.35</u>	<u>\$ 0.12</u>	<u>\$ 0.44</u>	<u>\$ 0.24</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Six Months Ended April 30, 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	-	-	-	6,342,404	6,342,404
Other comprehensive income	-	-	18,900	-	18,900
Total comprehensive income	-	-	18,900	6,342,404	6,361,304
Dividends	-	-	-	(5,333,334)	(5,333,334)
Balance at April 30, 2018	5,333,334	2,552,258	-	177,406,410	185,292,002
Balance at October 31, 2018	5,333,334	2,552,258	(15,740)	193,715,621	201,585,473
Net profit for the period	-	-	-	11,839,724	11,839,724
Other comprehensive income	-	-	29,677	-	29,677
Total comprehensive income	-	-	29,677	11,839,724	11,869,401
Dividends	-	-	-	(2,666,668)	(2,666,668)
Balance at April 30, 2019	5,333,334	2,552,258	13,937	202,888,677	210,788,206

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Six Months Ended April 30, 2019
(Expressed in Bahamian dollars)

	April 30, 2019	April 30, 2018
OPERATING ACTIVITIES		
Net income	\$ 11,839,724	\$ 6,342,404
Adjustments for:		
Provision for credit losses	1,747,231	9,735,519
Depreciation and amortization of tangible assets	7,375	48,679
	<u>13,594,330</u>	<u>16,126,602</u>
(INCREASE)/DECREASE IN OPERATING ASSETS		
Balances with Central Bank	17,672,822	(2,311,933)
Loans and advances to customers	9,635,097	2,897,219
Other assets	(884,494)	(1,058,274)
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Due to affiliated companies	(2,249,678)	381,253
Customers' deposits	(8,194,108)	(19,211,362)
Other liabilities	843,185	(788,465)
Cash from operating activities	<u>30,417,154</u>	<u>(3,964,960)</u>
INVESTING ACTIVITIES		
Net movement in investment securities	(397,901)	2,738,265
Cash from investing activities	<u>(397,901)</u>	<u>2,738,265</u>
FINANCING ACTIVITIES		
Dividends paid	(2,666,668)	(5,333,334)
	<u>(2,666,668)</u>	<u>(5,333,334)</u>
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	27,352,585	(6,560,029)
Effects of fair value changes in cash equivalents	29,677	18,900
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>\$ 45,015,325</u>	<u>\$ 31,704,083</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Six Months Ended April 30, 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 six months ended April 30, 2019

We wish to report that the Bank's net profit for the six months ended April 30, 2019 was \$11.8 million which represents an increase of 87% or \$5.5 million when compared to the corresponding period for 2018. This favourable variance is attributed mainly to lower provisions for credit losses.

The Bank's capital ratio continues to be strong and above regulatory requirements at 42.03% and is comprised mainly of Tier 1 capital.

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Chairman

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

Managing Director