

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

Consolidated Statement of Financial Position (Unaudited)
As of 30 June 2019
(Expressed in Bahamian dollars)

	2019	2018
	\$	\$
ASSETS		
Cash on hand and at banks	171,216,069	106,498,105
Investment securities	86,548,648	83,057,535
Loans and advances to customers	430,337,028	439,699,830
Other assets	2,086,540	4,668,546
Assets held for sale	14,344,133	13,319,401
Investments in joint ventures	209,407	215,957
Property, plant and equipment	10,105,895	10,441,514
	<u>714,847,720</u>	<u>657,900,888</u>
Total assets	714,847,720	657,900,888
LIABILITIES		
Deposits from customers	584,771,928	532,734,531
Accrued expenses and other liabilities	1,748,884	1,333,981
Debt securities	34,124,712	33,964,458
	<u>620,645,524</u>	<u>568,032,970</u>
Total liabilities	620,645,524	568,032,970
EQUITY		
Capital – ordinary shares	20,410,050	20,380,694
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	309,205	330,695
Reserve for credit losses	-	-
Retained earnings	58,482,941	54,156,529
	<u>94,202,196</u>	<u>89,867,918</u>
Total equity	94,202,196	89,867,918
Total liabilities and equity	714,847,720	657,900,888

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Comprehensive Income (Unaudited) For the Six Months Ended 30 June 2019 (Expressed in Bahamian dollars)

	<u>3 Months Ended</u>	<u>6 Months Ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
INCOME			
Interest income			
Bank deposits, loans and advances	16,591,173	33,144,928	30,821,218
Investment securities	915,604	1,845,602	1,781,275
	<u>17,506,777</u>	<u>34,990,530</u>	<u>32,602,493</u>
Interest expense	(3,215,027)	(6,281,552)	(6,790,557)
Net interest income	14,291,750	28,708,978	25,811,936
Fees and commissions	728,848	1,439,774	1,383,569
Rental income	-	20,156	40,313
Other income	54,663	127,903	381,054
Total income	15,075,261	30,296,811	27,616,872
EXPENSES			
Salaries and employee benefits	3,305,420	6,276,624	5,572,726
General and administrative	3,219,125	6,192,802	5,884,574
Provision for loan losses	2,427,070	5,059,338	6,658,423
Depreciation and amortisation	374,776	720,901	734,717
Total expenses	9,326,391	18,249,665	18,850,440
Operating profit	5,748,870	12,047,146	8,766,432
Share of profits of joint ventures	-	10,476	-
Net income from continuing operations	5,748,870	12,057,622	8,766,432
Profits of assets held for sale	500,001	1,024,733	1,396,807
Net income and total comprehensive income	6,248,871	13,082,355	10,163,239
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Weighted average number of ordinary shares outstanding	28,815,779	28,810,442	28,801,947
Earnings per share	0.21	0.44	0.34

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Six Months Ended 30 June 2019 (Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Capital – Preference Shares \$	Revaluation Reserve \$	Reserve for Credit Losses \$	Retained Earnings \$	Total \$
As of 1 January 2019	<u>20,380,694</u>	<u>15,000,000</u>	<u>330,695</u>	<u>-</u>	<u>54,156,529</u>	<u>89,867,918</u>
Comprehensive income						
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,082,355</u>	<u>13,082,355</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,082,355</u>	<u>13,082,355</u>
Transfers						
Depreciation transfer	<u>-</u>	<u>-</u>	<u>(21,490)</u>	<u>-</u>	<u>21,490</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(21,490)</u>	<u>-</u>	<u>21,490</u>	<u>-</u>
Transactions with owners						
Issuance of ordinary shares	29,356	-	-	-	77,394	106,750
Dividends – preference shares	-	-	-	-	(483,493)	(483,493)
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,371,334)</u>	<u>(8,371,334)</u>
Total transactions with owners	<u>29,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,777,433)</u>	<u>(8,748,077)</u>
As of 30 June 2019	<u>20,410,050</u>	<u>15,000,000</u>	<u>309,205</u>	<u>-</u>	<u>58,482,941</u>	<u>94,202,196</u>
Dividends per share	<u>0.29</u>	<u>0.32</u>				

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Year Ended 31 December 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)	(1,803,042)	(5,893,414)
As of 1 January 2018	<u>20,363,328</u>	<u>15,000,000</u>	<u>373,659</u>	<u>-</u>	<u>47,686,202</u>	<u>83,423,189</u>
Comprehensive income						
Net income	-	-	-	-	22,364,469	22,364,469
Total comprehensive income	-	-	-	-	22,364,469	22,364,469
Transfers						
Depreciation transfer	-	-	(42,964)	-	42,964	-
Total transfers	-	-	(42,964)	-	42,964	-
Transactions with owners						
Issuance of ordinary shares	17,366	-	-	-	48,562	65,928
Dividends – preference shares	-	-	-	-	(975,000)	(975,000)
Dividends – ordinary shares	-	-	-	-	(15,010,668)	(15,010,668)
Total transactions with owners	<u>17,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,937,106)</u>	<u>(15,919,740)</u>
As of 31 December 2018	<u>20,380,694</u>	<u>15,000,000</u>	<u>330,695</u>	<u>-</u>	<u>54,156,529</u>	<u>89,867,918</u>
Dividends per share	<u>0.52</u>	<u>0.65</u>				

Fidelity Bank (Bahamas) Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Six Months Ended 30 June 2019 (Expressed in Bahamian dollars)

Corresponding Figures

Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year. Further, corresponding figures presented in the consolidated statement of financial position and related notes are as of 31 December 2018.

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 six months ended 30 June 2019 and the year ended 31 December 2018, the Bank complied with all of the externally imposed capital requirements to which it is subject.