

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

ASSETS	July 31, 2019	October 31, 2018
Cash and cash equivalents	\$ 39,560,480	\$ 17,633,063
Balance with central bank	42,522,265	59,768,306
Loans and advances to customers	682,271,536	704,779,674
Investment securities	30,353,691	29,948,060
Premises and equipment	249,934	259,540
Other assets	4,845,492	4,965,888
TOTAL	\$ 799,803,398	\$ 817,354,531
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	\$ 492,923,559	\$ 502,913,724
Due to affiliated companies	90,607,658	108,085,319
Other liabilities	6,433,862	4,770,015
Total liabilities	\$ 589,965,079	\$ 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	16,160	(15,740)
Retained earnings	201,936,567	193,715,621
Total shareholders' equity	209,838,319	201,585,473
TOTAL	\$ 799,803,398	\$ 817,354,531

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

Nine Months Ended July 31, 2019
(Expressed in Bahamian dollars)

	Three Months Ended July 31, 2019	Three Months Ended July 31, 2018	Nine Months Ended July 31, 2019	Nine Months Ended July 31, 2018
Interest income	\$ 12,729,901	\$ 12,779,606	\$ 35,963,281	\$ 39,360,416
Interest expense	<u>(2,195,864)</u>	<u>(2,438,110)</u>	<u>(6,517,052)</u>	<u>(7,082,615)</u>
Net interest income	10,534,037	10,341,496	29,446,229	32,277,801
Non-interest income	<u>465,343</u>	<u>576,317</u>	<u>1,562,893</u>	<u>1,645,476</u>
Total income	<u>10,999,380</u>	<u>10,917,813</u>	<u>31,009,122</u>	<u>33,923,277</u>
Non-interest expense	(3,795,414)	(3,467,235)	(10,964,352)	(10,394,775)
Provision for credit losses	<u>(8,156,076)</u>	<u>(1,638,265)</u>	<u>(9,157,156)</u>	<u>(11,373,785)</u>
Net income	(952,110)	5,812,313	10,887,614	12,154,717
Other comprehensive income:				
<i>Items that may be reclassified to net income</i>				
Net gains on investments in debt instruments measured at FVOCI	28,485	18,900	28,485	18,900
Expected credit losses on FVOCI investments	<u>3,415</u>	<u>-</u>	<u>3,415</u>	<u>-</u>
Total comprehensive income for the period	\$ (920,210)	\$ 5,831,213	\$ 10,919,514	\$ 12,173,617
Earnings per share	\$ (0.04)	\$ 0.22	\$ 0.41	\$ 0.46

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Nine Months Ended July 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	-	-	-	12,154,717	12,154,717
Other comprehensive income	-	-	18,900	-	18,900
Total comprehensive income	-	-	18,900	12,154,717	12,173,617
Dividends	-	-	-	(6,666,667)	(6,666,667)
Balance at July 31, 2018	5,333,334	2,552,258	-	181,885,390	189,770,982
Balance at October 31, 2018	5,333,334	2,552,258	(15,740)	193,715,621	201,585,473
Net profit for the period	-	-	-	10,887,614	10,887,614
Other comprehensive income	-	-	31,900	-	31,900
Total comprehensive income	-	-	31,900	10,887,614	10,919,514
Dividends	-	-	-	(2,666,668)	(2,666,668)
Balance at July 31, 2019	5,333,334	2,552,258	16,160	201,936,567	209,838,319

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

	July 31, 2019	July 31, 2018
OPERATING ACTIVITIES		
Net income	\$ 10,887,614	\$ 12,154,717
Adjustments for:		
Provision for credit losses	9,157,156	11,373,785
Depreciation and amortization of tangible assets	9,606	68,028
	<u>20,054,376</u>	<u>23,596,530</u>
 (INCREASE)/DECREASE IN OPERATING ASSETS		
Balances with Central Bank	17,246,041	(8,383,199)
Loans and advances to customers	13,350,982	12,859,402
Other assets	120,396	(1,053,958)
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Due to affiliated companies	(17,477,661)	1,216,512
Customers' deposits	(9,990,165)	(27,464,647)
Other liabilities	1,663,847	(632,795)
Cash from operating activities	<u>24,967,816</u>	<u>137,845</u>
 INVESTING ACTIVITIES		
Net movement in investment securities	(405,631)	4,439,214
Cash from investing activities	<u>(405,631)</u>	<u>4,439,214</u>
 FINANCING ACTIVITIES		
Dividends paid	(2,666,668)	(6,666,667)
	<u>(2,666,668)</u>	<u>(6,666,667)</u>
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	21,895,517	(2,089,608)
Effects of fair value changes in cash equivalents	31,900	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>\$ 39,560,480</u>	<u>\$ 36,174,504</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Nine Months Ended July 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 nine months ended July 31, 2019

We wish to report that the Bank's net profit for the nine months ended July 31, 2019 was \$10.9 million which represents a decrease of 10% or \$1.3 million when compared to the corresponding period for 2018. This decrease is primarily attributed to lower interest income given the lower than planned level of loan volumes.

New credit origination continues to be a challenge. Non-performing loans, at \$114 million, showed a decrease of 5% from the previous quarter and 9% when compared to the same period last year. The Bank has a strong provision coverage and its capital ratio, which comprises mainly Tier 1 capital, continues to be above regulatory requirements at 42.96%.

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Chairman

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

Managing Director