RBC FINCO

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As of July 31, 2025 and October 31, 2024
(Expressed in Bahamian dollars)

ASSETS	July 31, 2025	October 31, 2024
Cash and cash equivalents	$ 35,504,562	$ 35,421,886
Balance with central bank	24,445,495	26,177,457
Loans and advances to customers	604,156,381	605,439,866
Investment securities	36,311,586	26,677,265
Other assets	4,398,456	3,204,339
TOTAL	$ 704,816,480	$ 696,920,813
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	$ 252,375,597	$ 253,158,347
Due to affliated companies	269,123,783	172,737,435
Other liabilities	14,001,405	4,434,028
Total liabilities	$ 535,500,785	$ 430,329,810
SHAREHOLDERS' EQUITY		
Stated capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
Other components of equity	11,457	32,714
Retained earnings	161,418,646	258,672,697
Total shareholders' equity	169,315,695	266,591,003
TOTAL	$ 704,816,480	$ 696,920,813

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Nine Months Ended July 31, 2025
(Expressed in Bahamian dollars)

	July 31, 2025	July 31, 2024
OPERATING ACTIVITIES		
Net income before tax	$ 17,348,138	$ 21,834,315
Adjustments for:		
Release of provision for credit losses	(5,162,524)	(9,101,681)
Depreciation and amortization of tangible assets	523	15,999
	12,186,137	12,748,633
(INCREASE)/DECREASE IN OPERATING ASSETS		
Restricted cash balances with central bank	65,588	(1,956,813)
Loans and advances to customers	6,400,031	12,724,794
Other assets	(1,194,634)	(1,661,321)
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Due to affiliated companies	72,186,344	3,266,493
Customers' deposits	(782,750)	(16,927,869)
Other liabilities	(1,101,464)	(5,898,579)
Net cash from operating activities	87,759,252	2,295,338
INVESTING ACTIVITIES		
Net movement in investment securities	(9,611,542)	209,717
Net cash (used in)/from investing activities	(9,611,542)	209,717
FINANCING ACTIVITES		
Dividends paid	(79,733,344)	(14,933,335)
Net cash used in financing activites	(79,733,344)	(14,933,335)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,585,634)	(12,428,280)
Cash and cash equivalents, beginning of the period	48,926,780	55,276,215
Effects of fair value changes on cash and cash equivalents	1,936	2,740
Cash and cash equivalents, end of the period	$ 47,343,082	$ 42,850,675
Cash and cash equivalent:		
Cash and cash equivalents	$ 35,504,562	$ 29,984,776
Unrestricted cash balances with central bank	11,838,520	12,865,899
	$ 47,343,082	$ 42,850,675

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
AND COMPREHENSIVE INCOME (Unaudited)
Nine Months Ended July 31, 2025
(Expressed in Bahamian dollars)

	Three Months Ended July 31, 2025	Three Months Ended July 31, 2024	Nine Months Ended July 31, 2025	Nine Months Ended July 31, 2024
Interest income	$ 9,061,663	$ 9,157,100	$ 27,432,100	$ 27,705,888
Interest expense	(2,405,066)	(1,823,880)	(6,217,441)	(5,390,602)
Net interest income	6,656,597	7,333,220	21,214,659	22,315,286
Non-interest income	339,996	358,431	1,265,774	1,316,739
Total income	6,996,593	7,691,651	22,480,433	23,632,025
Non-interest expense	(3,613,231)	(3,720,006)	(10,294,819)	(10,899,391)
Release of provision for credit losses	2,011,179	2,869,029	5,162,524	9,101,681
Net income before tax	**5,394,541**	**6,840,674**	**17,348,138**	**21,834,315**
Provision for taxes	(809,135)	-	(2,602,175)	-
Net income	**4,585,406**	**6,840,674**	**14,745,963**	**21,834,315**
Other comprehensive income:				
Items that may be reclassified to net income				
Net gains on investments in debt instruments measured at FVOCI	3,865	7,173	1,936	2,740
(Provision for)/release of expected credit losses on FVOCI investments	(30,658)	(5,262)	(23,192)	498
Total comprehensive income for the period	$ **4,558,613**	$ **6,842,585**	$ **14,724,707**	$ **21,837,553**
Earnings per share	$ 0.17	$ 0.26	$ 0.55	$ 0.82

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Nine Months Ended July 31, 2025

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, 2024, except for the implementation of Domestic Minimum Top-Up Tax explained below.

2. **DIVIDENDS**

During the fiscal year to date, the Group's directors approved dividends totaling $112,000,001.

3. **TAXATION**

The Bank's ultimate parent is domiciled in Canada. Canadian law implemented certain measures relating to the Organisation for Economic Co-operation and Development's (OECD) two-pillar plan to combat tax base erosion and profit shifting, including a 15% global minimum corporate tax on certain multinational enterprises (Pillar Two). Pillar Two income taxes may arise in or in relation to jurisdictions where the operations of multinational enterprises such as Royal Bank of Canada have an effective tax rate below 15%.

On November 28, 2024 The Bahamas enacted its Domestic Minimum Top-Up Tax Act, 2024 (the DMTT Act) which implements a domestic minimum top-up tax (DMTT) of 15% effective January 1, 2024 for qualifying multinational entities in The Bahamas. Based on the legislation, the DMTT Act became effective for the Bank's fiscal year beginning November 1, 2024. The Bank has accrued $2,602,175 of DMTT during the period.

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Nine Months Ended July 31, 2025
(Expressed in Bahamian dollars)

	Share Capital $	Share Premium $	Other Components Equity $	Retained Earnings $	Total $
Balance at October 31, 2023	5,333,334	2,552,258	42,681	246,965,462	254,893,735
Net profit for the period	-	-	-	21,834,315	21,834,315
Other comprehensive income	-	-	3,238	-	3,238
Total comprehensive income	-	-	3,238	21,834,315	21,837,553
Dividends	-	-	-	(14,933,335)	(14,933,335)
Balance at July 31, 2024	**5,333,334**	**2,552,258**	**45,919**	**253,866,442**	**261,797,953**
Balance at October 31, 2024	5,333,334	2,552,258	32,714	258,672,697	266,591,003
Net profit for the period	-	-	-	14,745,963	14,745,963
Other comprehensive income	-	-	(21,257)	-	(21,257)
Total comprehensive income	-	-	(21,257)	14,745,963	14,724,706
Dividends	-	-	-	(112,000,014)	(112,000,014)
Balance at July 31, 2025	**5,333,334**	**2,552,258**	**11,457**	**161,418,646**	**169,315,695**

RBC FINCO

FINANCE CORPORATION OF BAHAMAS LIMITED

Chairman's review of the unaudited results
For the nine months ended July 31, 2025

We wish to report that the Bank's net income for the nine months ended July 31, 2025 was $14.7 million which represents a decrease of $7.1 million or 32.5% when compared to net income of $21.8 million for the corresponding period for 2024. This decrease is primarily due to lower provision releases for credit losses, the introduction of a domestic minimum top up tax and lower revenues. These were partially offset by lower operating expenses.

Chairman

Managing Director