

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED BALANCE SHEET (Unaudited)**  
**As of January 31, 2011 and October 31, 2010**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>January 31, 2011</b>	<b>October 31, 2010</b>
Cash	\$ 41,435,816	\$ 61,028,719
Statutory reserve account with The Central Bank of The Bahamas	40,409,335	39,845,940
Investments	48,185,337	45,787,941
Loans - Net	820,859,262	817,997,932
Fixed assets - Net	1,965,983	1,978,803
Other assets	<u>1,771,013</u>	<u>702,069</u>
<b>TOTAL</b>	<b><u>\$ 954,626,746</u></b>	<b><u>\$ 967,341,404</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$ 816,982,650	\$ 827,659,285
Other liabilities	1,831,522	2,056,448
Note payable	<u>37,300,000</u>	<u>37,300,000</u>
Total liabilities	<u>\$ 856,114,172</u>	<u>\$ 867,015,733</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
General reserve	500,000	500,000
Retained earnings	<u>90,126,982</u>	<u>91,940,079</u>
Total shareholders' equity	<u>98,512,574</u>	<u>100,325,671</u>
<b>TOTAL</b>	<b><u>\$ 954,626,746</u></b>	<b><u>\$ 967,341,404</u></b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**Three Months Ended January 31, 2011**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended January 31, 2011</b>	<b>Three Months Ended January 31, 2010</b>
<b>INCOME</b>		
Net interest income	\$ 7,127,854	\$ 6,686,466
Provision for credit losses net	<u>(6,652,108)</u>	<u>(4,906,255)</u>
<b>Net interest income after provision for credit losses</b>	475,746	1,780,211
Fees and commissions	<u>857,462</u>	<u>851,326</u>
<b>Total income</b>	<u>1,333,208</u>	<u>2,631,537</u>
<b>NON-INTEREST EXPENSES</b>		
Total non-interest expenses	<u>3,146,305</u>	<u>3,082,504</u>
<b>NET INCOME</b>	<u><b>\$ (1,813,097)</b></u>	<u><b>\$ (450,967)</b></u>
<b>EARNINGS PER SHARE</b>	<u><b>\$ (0.07)</b></u>	<u><b>\$ (0.02)</b></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Three Months Ended January 31, 2011**  
**(Expressed in Bahamian dollars)**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at October 31, 2009</b>	5,333,334	2,552,258	500,000	73,752,003	82,137,595
Net loss for the period				(450,967)	(450,967)
<b>Balance at January 31, 2010</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>73,301,036</u>	<u>81,686,628</u>
<b>Balance at October 31, 2010</b>	5,333,334	2,552,258	500,000	91,940,079	100,325,671
Net loss for the period				(1,813,097)	(1,813,097)
<b>Balance at January 31, 2011</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>90,126,982</u>	<u>98,512,574</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Three Months Ended January 31, 2011**  
**(Expressed in Bahamian dollars)**

	<b>January 31, 2011</b>	<b>January 31, 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ (1,813,097)	\$ (450,967)
Adjustments for:		
Depreciation	133,449	134,721
Provision for credit losses	6,652,108	4,906,255
Loss on disposal of fixed assets	4,705	-
	<u>4,977,165</u>	<u>4,590,009</u>
Changes in operating assets and liabilities	(1,857,265)	(2,400,492)
Increase in loans and advances, net	(9,513,438)	(18,160,799)
Increase in deposits	<u>(10,676,635)</u>	<u>4,890,786</u>
Net cash from operating activities	<u>(17,070,173)</u>	<u>(11,080,496)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(125,334)	(871)
Net proceeds from investments	<u>(2,397,396)</u>	<u>(2,726,358)</u>
Net cash from investing activities	<u>(2,522,730)</u>	<u>(2,727,229)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(19,592,903)	(13,807,725)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>61,028,719</u>	<u>45,330,690</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 41,435,816</u>	<u>\$ 31,522,965</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Three Months Ended January 31, 2011**

**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, 2010.