

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED BALANCE SHEET (Unaudited)
As of January 31, 2017 and October 31, 2016
(Expressed in Bahamian dollars)

ASSETS	January 31, 2017	October 31, 2016
Cash and cash equivalents	\$ 44,818,575	\$ 49,153,632
Balance with central banks	53,182,318	52,745,888
Loans and advances to customers	778,659,346	782,615,717
Investment securities	34,792,000	34,792,000
Premises and equipment	441,643	471,510
Other assets	<u>5,211,757</u>	<u>5,199,576</u>
TOTAL	<u>\$ 917,105,639</u>	<u>\$ 924,978,323</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	\$ 634,927,898	\$ 650,673,080
Due to affiliated companies	79,915,774	79,981,988
Other liabilities	<u>6,502,389</u>	<u>7,411,945</u>
Total liabilities	<u>\$ 721,346,061</u>	<u>\$ 738,067,013</u>
SHAREHOLDERS' EQUITY		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
Retained earnings	<u>187,873,986</u>	<u>179,025,718</u>
Total shareholders' equity	<u>195,759,578</u>	<u>186,911,310</u>
TOTAL	<u>\$ 917,105,639</u>	<u>\$ 924,978,323</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
Three Months Ended January 31, 2017
(Expressed in Bahamian dollars)

	Three Months Ended January 31, 2017	Three Months Ended January 31, 2016
Interest income	\$ 15,104,826	\$ 15,781,632
Interest expense	<u>(2,977,293)</u>	<u>(4,080,898)</u>
Net interest income	12,127,533	11,700,734
Non-interest income	<u>586,714</u>	<u>620,475</u>
Total revenue	12,714,247	12,321,209
Non-interest expense	(3,296,193)	(3,071,605)
Impairment losses on loans and advances	<u>(569,786)</u>	<u>(4,134,962)</u>
Total comprehensive income for the period	<u>\$ 8,848,268</u>	<u>\$ 5,114,642</u>
Earnings per share	<u>\$ 0.33</u>	<u>\$ 0.19</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Three Months Ended January 31, 2017
(Expressed in Bahamian dollars)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at October 31, 2015	5,333,334	2,552,258	500,000	166,921,822	175,307,414
Net profit for the period	-	-	-	5,114,642	5,114,642
Balance at January 31, 2016	5,333,334	2,552,258	500,000	172,036,464	180,422,056
Balance at October 31, 2016	5,333,334	2,552,258	-	179,025,718	186,911,310
Net profit for the period	-	-	-	8,848,268	8,848,268
Balance at January 31, 2017	5,333,334	2,552,258	-	187,873,986	195,759,578

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Three Months Ended January 31, 2017
(Expressed in Bahamian dollars)

	January 31, 2017	January 31, 2016
OPERATING ACTIVITIES		
Net income	\$ 8,848,268	\$ 5,114,642
Adjustments for:		
Impairment losses on loans and advances to customers	4,355,945	4,134,962
Depreciation and amortization of tangible assets	<u>29,947</u>	<u>36,059</u>
	13,234,160	9,285,663
 (INCREASE)/DECREASE IN OPERATING ASSETS		
Balances with Central Bank	(436,430)	(1,119,961)
Loans and advances to customers	(399,574)	(374,994)
Other assets	(12,181)	(582,277)
INCREASE/(DECREASE) IN OPERATING ASSETS		
Affiliated companies	(66,214)	333,521
Customers' deposits	(15,745,182)	(13,822,514)
Other liabilities	<u>(909,556)</u>	<u>(171,128)</u>
Cash from operating activities	<u>(4,334,977)</u>	<u>(6,451,690)</u>
 INVESTING ACTIVITIES		
Net movement in premises and equipment	(80)	57,970
Net movement in investment securities	<u>-</u>	<u>597,936</u>
Cash from investing activities	<u>(80)</u>	<u>655,906</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,335,057)	(5,795,784)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>49,153,632</u>	<u>72,809,826</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 44,818,575</u>	<u>\$ 67,014,042</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Three Months Ended January 31, 2017

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, 2016.



FINANCE CORPORATION OF BAHAMAS LIMITED

Chairman's review of the unaudited results For the three months ended January 31, 2017

We wish to report that the Bank's net profit for the three months ended January 31, 2017 was \$8.8 million and represents an increase of 73% when compared to the corresponding period for 2016. This increase is attributed to prudent management of interest cost and a decrease in provisions.

The Bank continues to face challenges with new credit origination. Non-performing loans, at \$118 million, had increased significantly in the previous quarter and remained at a very high level during this quarter. The Bank's capital ratio continues to be strong and above regulatory requirements at 35.68% and is comprised mainly of Tier 1 capital.

Chairman

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

Managing Director

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