

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

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

	2019	2018
	\$	\$
ASSETS		
Cash on hand and at banks	146,715,638	106,498,105
Investment securities	86,117,840	83,057,535
Loans and advances to customers	430,981,491	439,699,830
Other assets	3,101,292	4,668,546
Assets held for sale	11,911,419	13,319,401
Investments in joint ventures	212,944	215,957
Property, plant and equipment	9,884,971	10,441,514
Total assets	<u>688,925,595</u>	<u>657,900,888</u>
LIABILITIES		
Deposits from customers	551,630,004	532,734,531
Accrued expenses and other liabilities	1,842,706	1,333,981
Debt securities	34,679,237	33,964,458
Total liabilities	<u>588,151,947</u>	<u>568,032,970</u>
EQUITY		
Capital – ordinary shares	20,410,050	20,380,694
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	298,460	330,695
Reserve for credit losses	-	-
Retained earnings	65,065,138	54,156,529
Total equity	<u>100,773,648</u>	<u>89,867,918</u>
Total liabilities and equity	<u>688,925,595</u>	<u>657,900,888</u>

Fidelity Bank (Bahamas) Limited

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

	<u>3 Months Ended</u> <u>30 September</u> <u>2019</u> \$	<u>9 Months Ended</u> <u>30 September</u> <u>2019</u> \$	<u>30 September</u> <u>2018</u> \$
INCOME			
Interest income			
Bank deposits, loans and advances	16,660,948	49,805,876	46,965,682
Investment securities	<u>894,410</u>	<u>2,740,012</u>	<u>2,681,582</u>
	17,555,358	52,545,888	49,647,264
Interest expense	<u>(3,239,452)</u>	<u>(9,521,004)</u>	<u>(9,865,973)</u>
Net interest income	14,315,906	43,024,884	39,781,291
Fees and commissions	816,068	2,255,842	2,127,761
Rental income	-	20,156	60,469
Other income	<u>63,211</u>	<u>191,114</u>	<u>241,610</u>
Total income	<u>15,195,185</u>	<u>45,491,996</u>	<u>42,211,131</u>
EXPENSES			
General and administrative	3,399,495	9,592,297	8,580,332
Salaries and employee benefits	3,186,596	9,463,220	8,621,745
Provision for loan losses	2,266,985	7,326,323	8,121,610
Depreciation and amortisation	<u>340,334</u>	<u>1,061,235</u>	<u>1,095,577</u>
Total expenses	<u>9,193,410</u>	<u>27,443,075</u>	<u>26,419,264</u>
Operating profit	6,001,775	18,048,921	15,791,867
Share of profits of joint ventures	<u>3,332</u>	<u>13,808</u>	<u>37,871</u>
Net income from continuing operations	6,005,107	18,062,729	15,829,738
Profits of operations held for sale	<u>566,345</u>	<u>1,591,078</u>	<u>1,477,880</u>
Net income and total comprehensive income	<u>6,571,452</u>	<u>19,653,807</u>	<u>17,307,618</u>
Weighted average number of ordinary shares outstanding	28,815,779	28,812,221	28,802,999
Earnings per share	0.22	0.67	0.58

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Nine Months Ended 30 September 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>19,653,807</u>	<u>19,653,807</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,653,807</u>	<u>19,653,807</u>
Transfers						
Depreciation transfer	<u>-</u>	<u>-</u>	<u>(32,235)</u>	<u>-</u>	<u>32,235</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(32,235)</u>	<u>-</u>	<u>32,235</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 September 2019	<u><u>20,410,050</u></u>	<u><u>15,000,000</u></u>	<u><u>298,460</u></u>	<u><u>-</u></u>	<u><u>65,065,138</u></u>	<u><u>100,773,648</u></u>
Dividends per share	<u><u>0.29</u></u>	<u><u>0.32</u></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 Nine Months Ended 30 September 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 nine months ended 30 September 2019 and the year ended 31 December 2018, the Bank complied with all of the externally imposed capital requirements to which it is subject.

Subsequent Events

Subsequent to 30 September 2019, the transaction to dispose of the Bank's shareholding in its joint venture, Royal Fidelity Merchant Bank & Trust Limited, closed with the Bank receiving proceeds of \$16,449,000 plus the Bank's share of retained earnings as of the date of closing, which resulted in a profit on disposal of approximately \$7,600,000.