

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As of April 30, 2025 and October 31, 2024
(Expressed in Bahamian dollars)

ASSETS	April 30, 2025	October 31, 2024
Cash and cash equivalents	\$ 34,991,822	\$ 35,421,886
Balance with central bank	22,698,644	26,177,457
Loans and advances to customers	606,939,740	605,439,866
Investment securities	26,322,647	26,677,265
Other assets	5,516,552	3,204,339
TOTAL	\$ 696,469,405	\$ 696,920,813
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	\$ 251,995,882	\$ 253,158,347
Due to affiliated companies	228,167,364	172,737,435
Other liabilities	14,215,739	4,434,028
Total liabilities	\$ 494,378,985	\$ 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	38,250	32,714
Retained earnings	194,166,578	258,672,697
Total shareholders' equity	202,090,420	266,591,003
TOTAL	\$ 696,469,405	\$ 696,920,813

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
AND COMPREHENSIVE INCOME (Unaudited)
Six Months Ended April 30, 2025
(Expressed in Bahamian dollars)

	Three Months Ended April 30, 2025	Three Months Ended April 30, 2024	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
Interest income	\$ 9,263,947	\$ 9,149,244	\$ 18,370,436	\$ 18,548,788
Interest expense	<u>(1,966,045)</u>	<u>(1,742,253)</u>	<u>(3,812,374)</u>	<u>(3,566,722)</u>
Net interest income	7,297,902	7,406,991	14,558,062	14,982,066
Non-interest income	<u>545,940</u>	<u>553,518</u>	<u>925,778</u>	<u>958,308</u>
Total income	<u>7,843,842</u>	<u>7,960,509</u>	<u>15,483,840</u>	<u>15,940,374</u>
Non-interest expense	(3,520,933)	(3,716,365)	(6,681,588)	(7,179,385)
Release of provision for credit losses	<u>2,121,901</u>	<u>2,518,111</u>	<u>3,151,345</u>	<u>6,232,652</u>
Net income before tax	6,444,810	6,762,255	11,953,597	14,993,641
Provision for taxes	<u>(1,121,138)</u>	<u>-</u>	<u>(1,793,040)</u>	<u>-</u>
Net income	5,323,672	6,762,255	10,160,557	14,993,641
Other comprehensive income:				
<i>Items that may be reclassified to net income</i>				
Net gains on investments in debt instruments measured at FVOCI	(1,340)	(2,993)	(1,929)	(4,433)
Expected credit losses on FVOCI investments	<u>6,785</u>	<u>8,100</u>	<u>7,466</u>	<u>5,761</u>
Total comprehensive income for the period	\$ 5,329,117	\$ 6,767,362	\$ 10,166,094	\$ 14,994,969
Earnings per share	<u>\$ 0.20</u>	<u>\$ 0.25</u>	<u>\$ 0.38</u>	<u>\$ 0.56</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Six Months Ended April 30, 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	-	-	-	14,993,641	14,993,641
Other comprehensive income	-	-	1,328	-	1,328
Total comprehensive income	-	-	1,328	14,993,641	14,994,969
Dividends	-	-	-	(10,133,335)	(10,133,335)
Balance at April 30, 2024	5,333,334	2,552,258	44,009	251,825,768	259,755,369
Balance at October 31, 2024	5,333,334	2,552,258	32,714	258,672,697	266,591,003
Net profit for the period	-	-	-	10,160,557	10,160,557
Other comprehensive income	-	-	5,536	-	5,536
Total comprehensive income	-	-	5,536	10,160,557	10,166,093
Dividends	-	-	-	(74,666,676)	(74,666,676)
Balance at April 30, 2025	5,333,334	2,552,258	38,250	194,166,578	202,090,420

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Six Months Ended April 30, 2025
(Expressed in Bahamian dollars)

	April 30, 2025	April 30, 2024
OPERATING ACTIVITIES		
Net income before tax	\$ 11,953,597	\$ 14,993,641
Adjustments for:		
Release of provision for credit losses	(3,151,345)	(6,232,652)
Depreciation and amortization of tangible assets	<u>523</u>	<u>11,293</u>
	8,802,775	8,772,282
 (INCREASE)/DECREASE IN OPERATING ASSETS		
Restricted cash balances with central bank	116,238	294,840
Loans and advances to customers	1,568,427	13,538,622
Other assets	(2,312,733)	(2,819,943)
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Due to affiliated companies	31,229,926	2,603,113
Customers' deposits	(1,162,465)	(11,082,248)
Other liabilities	<u>(77,996)</u>	<u>(5,570,618)</u>
Net cash from operating activities	<u>38,164,172</u>	<u>5,736,048</u>
 INVESTING ACTIVITIES		
Net movement premises and equipment	-	(136,895)
Net movement in investment securities	<u>445,124</u>	<u>1,047,805</u>
Net cash from investing activities	<u>445,124</u>	<u>910,910</u>
 FINANCING ACTIVITIES		
Dividends paid	<u>(42,400,006)</u>	<u>(10,133,335)</u>
Net cash used in financing activities	<u>(42,400,006)</u>	<u>(10,133,335)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,790,710)	(3,486,377)
Cash and cash equivalents, beginning of the period	48,926,780	55,276,215
Effects of fair value changes on cash and cash equivalents	<u>(1,929)</u>	<u>(4,433)</u>
Cash and cash equivalents, end of the period	<u>\$ 45,134,141</u>	<u>\$ 51,785,405</u>
 Cash and cash equivalent:		
Cash and cash equivalents	34,991,822	37,629,893
Unrestricted cash balances with central bank	<u>10,142,319</u>	<u>14,155,512</u>
	<u>\$ 45,134,141</u>	<u>\$ 51,785,405</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Six Months Ended April 30, 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

On April 10, 2025 the Group's directors approved a dividend in the amount of \$37,333,338 (\$1.40 per share) to all shareholders of record as of May 1, 2025 payable on May 8, 2025, subject to the required regulatory approval.

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 \$1,793,040 of DMTT during the period.



FINANCE CORPORATION OF BAHAMAS LIMITED

Chairman's review of the unaudited results For the six months ended April 30, 2025

We wish to report that the Bank's net income for the six months ended April 30, 2025 was \$10.2 million which represents a \$4.8 million or 32.2% decrease when compared to net income of \$15.0 million for the corresponding period for 2024. This decrease is primarily due to lower provision releases for credit losses, domestic minimum top up tax and lower revenues. These were partially offset by lower operating expenses.

A stylized, handwritten signature in black ink, appearing to be 'D. Smith'.

Chairman

A stylized, handwritten signature in black ink, appearing to be 'J. Smith'.

Managing Director