

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED BALANCE SHEET (Unaudited)
As of July 31, 2010 and October 31, 2009
(Expressed in Bahamian dollars)

ASSETS	July 31, 2010	October 31, 2009
Cash	\$ 46,519,169	\$ 45,330,690
Statutory reserve account with The Central Bank of The Bahamas	39,828,629	37,589,768
Investments	48,969,852	49,596,040
Loans - Net	800,614,163	772,442,403
Fixed assets - Net	2,107,151	2,369,819
Other assets	1,407,021	645,351
TOTAL	<u>\$ 939,445,985</u>	<u>\$ 907,974,071</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 811,902,085	\$ 823,508,692
Other liabilities	1,958,518	2,327,784
Note payable	37,300,000	-
Total liabilities	<u>\$ 851,160,603</u>	<u>\$ 825,836,476</u>
SHAREHOLDERS' EQUITY		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
General reserve	500,000	500,000
Retained earnings	79,899,790	73,752,003
Total shareholders' equity	<u>88,285,382</u>	<u>82,137,595</u>
TOTAL	<u>\$ 939,445,985</u>	<u>\$ 907,974,071</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
Nine Months Ended July 31, 2010
(Expressed in Bahamian dollars)

	Three Months Ended July 31, 2010	Three Months Ended July 31, 2009	Nine Months Ended July 31, 2010	Nine Months Ended July 31, 2009
INCOME				
Net interest income	\$ 7,121,267	\$ 7,243,324	\$ 20,739,020	\$ 21,314,021
Provision for credit losses	<u>(1,869,608)</u>	<u>(1,685,826)</u>	<u>(8,170,864)</u>	<u>(11,612,952)</u>
Net interest after provision for credit losses	5,251,659	5,557,498	12,568,156	9,701,069
Fees and commissions	<u>1,040,438</u>	<u>926,050</u>	<u>2,730,995</u>	<u>2,624,503</u>
Total income	<u>6,292,097</u>	<u>6,483,548</u>	<u>15,299,151</u>	<u>12,325,572</u>
NON-INTEREST EXPENSES				
Total non-interest expenses	<u>3,059,888</u>	<u>3,132,580</u>	<u>9,151,364</u>	<u>9,274,931</u>
NET COMPREHENSIVE INCOME	<u><u>\$ 3,232,209</u></u>	<u><u>\$ 3,350,968</u></u>	<u><u>\$ 6,147,787</u></u>	<u><u>\$ 3,050,641</u></u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
Nine Months Ended July 31, 2010
(Expressed in Bahamian dollars)

	Share Capital	Share Premium	General Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at October 31, 2008	5,333,334	2,552,258	500,000	83,056,040	91,441,632
Net profit for the period				3,050,641	3,050,641
Dividends				(10,400,001)	(10,400,001)
Balance at July 31, 2009	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>75,706,680</u>	<u>84,092,272</u>
Balance at October 31, 2009	5,333,334	2,552,258	500,000	73,752,003	82,137,595
Net profit for the period				6,147,787	6,147,787
Balance at July 31, 2010	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>79,899,790</u>	<u>88,285,382</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
Nine Months Ended July 31, 2010
(Expressed in Bahamian dollars)

	July 31, 2010	July 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 6,147,787	\$ 3,050,641
Adjustments for:		
Depreciation	413,993	447,507
Provision for credit losses	8,170,864	11,612,952
Loss on disposal of fixed assets	93	46,800
	<u>14,732,737</u>	<u>15,157,900</u>
Changes in operating assets and liabilities	(3,369,797)	(37,841,281)
Increase in loans and advances, net	(36,342,624)	(67,415,064)
Increase in deposits	<u>(11,606,607)</u>	<u>103,444,544</u>
Net cash from operating activities	<u>(36,586,291)</u>	<u>13,346,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(151,418)	(234,311)
Net proceeds from investments	<u>626,188</u>	<u>2,742,204</u>
Net cash from investing activities	<u>474,770</u>	<u>2,507,893</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes Payable	37,300,000	-
Dividends paid	<u>-</u>	<u>(10,400,001)</u>
Net cash from financing activities	<u>37,300,000</u>	<u>(10,400,001)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,188,479	5,453,991
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>45,330,690</u>	<u>28,028,462</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 46,519,169</u>	<u>\$ 33,482,453</u>

FINANCE CORPORATION OF BAHAMAS LIMITED
Notes to Unaudited Interim Consolidated Financial Statements
Nine Months Ended July 31, 2010

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, 2009.

2. NOTE PAYABLE

On November 2, 2009 the parent company of Finance Corporation of Bahamas Limited (FINCO) agreed to convert \$34.7 million, which was held on deposit with FINCO into a note payable. This note bears interest at 5.00% per annum and is due for repayment on or before August 1, 2012.