

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED BALANCE SHEET (Unaudited)**  
**As of July 31, 2014 and October 31, 2013**  
**(Expressed in Bahamian dollars)**

<b>ASSETS</b>	<b>July 31, 2014</b>	<b>October 31, 2013</b>
Cash and cash equivalents	\$ 37,934,696	\$ 47,691,909
Balance with The Central Bank of The Bahamas	51,344,667	42,381,412
Loans and advances to customers	868,036,371	865,233,609
Investment securities	40,403,645	40,383,566
Premises and equipment	836,060	1,023,660
Other assets	<u>2,166,677</u>	<u>506,154</u>
<b>TOTAL</b>	<u><u>\$ 1,000,722,116</u></u>	<u><u>\$ 997,220,310</u></u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer deposits	\$ 798,072,822	\$ 759,176,935
Affiliated companies	31,230,033	77,218,701
Other liabilities	<u>4,229,803</u>	<u>7,059,618</u>
Total liabilities	<u><u>\$ 833,532,658</u></u>	<u><u>\$ 843,455,254</u></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>158,803,866</u>	<u>145,379,464</u>
Total shareholders' equity	<u><u>167,189,458</u></u>	<u><u>153,765,056</u></u>
<b>TOTAL</b>	<u><u>\$ 1,000,722,116</u></u>	<u><u>\$ 997,220,310</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**  
**Nine Months Ended July 31, 2014**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended July 31, 2014</b>	<b>Three Months Ended July 31, 2013</b>	<b>Nine Months Ended July 31, 2014</b>	<b>Nine Months Ended July 31, 2013</b>
Interest income	\$ 17,122,057	\$ 16,973,397	\$ 50,805,581	\$ 49,924,870
Interest expense	<u>(4,932,707)</u>	<u>(5,294,254)</u>	<u>(14,924,454)</u>	<u>(16,056,257)</u>
<b>Net interest income</b>	12,189,350	11,679,143	35,881,127	33,868,613
Non-interest income	<u>995,049</u>	<u>897,976</u>	<u>3,163,191</u>	<u>2,875,045</u>
<b>Gross revenue</b>	<u>13,184,399</u>	<u>12,577,119</u>	<u>39,044,318</u>	<u>36,743,658</u>
Non-interest expense	(3,003,752)	(3,299,968)	(11,155,436)	(8,126,434)
Impairment losses on loans and advances	<u>(3,584,038)</u>	<u>(2,393,415)</u>	<u>(9,131,146)</u>	<u>(5,251,069)</u>
<b>Total net and comprehensive income for the period</b>	<u><u>\$ 6,596,609</u></u>	<u><u>\$ 6,883,736</u></u>	<u><u>\$ 18,757,736</u></u>	<u><u>\$ 23,366,155</u></u>
Earnings per share	<u><u>\$ 0.25</u></u>	<u><u>\$ 0.26</u></u>	<u><u>\$ 0.70</u></u>	<u><u>\$ 0.88</u></u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Nine Months Ended July 31, 2014**  
**(Expressed in Bahamian dollars)**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at October 31, 2012</b>	5,333,334	2,552,258	500,000	121,687,492	130,073,084
Net profit for the period	-	-	-	23,366,155	23,366,155
Dividends	-	-	-	(5,333,334)	(5,333,334)
<b>Balance at July 31, 2013</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>139,720,313</u>	<u>148,105,905</u>
<b>Balance at October 31, 2013</b>	5,333,334	2,552,258	500,000	145,379,464	153,765,056
Net profit for the period	-	-	-	18,757,736	18,757,736
Dividends	-	-	-	(5,333,334)	(5,333,334)
<b>Balance at July 31, 2014</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>158,803,866</u>	<u>167,189,458</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**Nine Months Ended July 31, 2014**  
**(Expressed in Bahamian dollars)**

	<b>July 31, 2014</b>	<b>July 31, 2013</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 18,757,736	\$ 23,366,155
Adjustments for:		
Impairment losses on loans and advances to customers	3,584,038	5,251,069
Depreciation and amortization of tangible assets	187,600	223,660
Loss on disposal of premises and equipment	-	-
	<u>22,529,374</u>	<u>28,840,884</u>
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>		
Balances with Central Bank	(8,963,255)	(10,456,058)
Loans and advances to customers	(6,386,800)	(21,253,765)
Other assets	(1,660,523)	(341,647)
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES</b>		
Affiliated companies	(45,988,668)	20,221,573
Customers' deposits	38,895,887	(15,068,401)
Other liabilities	(2,829,815)	(1,207,767)
<b>Cash from operating activities</b>	<u>(4,403,800)</u>	<u>734,819</u>
<b>INVESTING ACTIVITIES</b>		
Net movement in investment securities	(20,079)	(190,009)
Additions to premises and equipment	-	-
<b>Cash from investing activities</b>	<u>(20,079)</u>	<u>(190,009)</u>
<b>FINANCING ACTIVITIES</b>		
Other borrowed funds		-
Dividends paid	(5,333,334)	(5,333,334)
	<u>(5,333,334)</u>	<u>(5,333,334)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(9,757,213)	(4,788,524)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>47,691,909</u>	<u>37,577,094</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 37,934,696</u>	<u>\$ 32,788,570</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Nine Months Ended July 31, 2014**

**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, 2013.

**2. CAPITAL ACTIVITY**

On December 18, 2013 the Board of Directors declared dividends of \$0.10 and also declared dividends of \$0.05 each on March 26, 2014 and June 5, 2014.



**FINANCE CORPORATION OF BAHAMAS LIMITED**

**Chairman's review of the unaudited results  
For the nine months ended July 31, 2014**

We wish to report that the Bank's net profit for the nine months ended July 31, 2014 was \$18.8 million which represents a 20% decrease when compared to the corresponding period for 2013. Higher loan loss provisions and increased operating costs negatively impacted profit levels.

Driven by the economic environment, new credit origination remains weak as loan balances increased by 1.8% over the previous year. Non-performing loan levels are high and increased from 11.8% to 12.5% (\$115 million) of the loan portfolio. The Bank's capital ratio, which is comprised mainly of Tier 1 capital, is 27.7% and is above regulatory requirements.

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Chairman

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

Managing Director