

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

<b>ASSETS</b>	<b>January 31, 2010</b>	<b>October 31, 2009</b>
Cash	\$ 31,522,965	\$ 45,330,690
Statutory reserve account with The Central Bank of The Bahamas	39,023,858	37,589,768
Investments	52,322,398	49,596,040
Loans - Net	785,696,947	772,442,403
Fixed assets - Net	2,235,969	2,369,819
Other assets	1,647,248	645,351
<b>TOTAL</b>	<b>\$ 912,449,385</b>	<b>\$ 907,974,071</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits	\$ 793,699,478	\$ 823,508,692
Note payable	\$ 34,700,000	\$ -
Other liabilities	2,363,279	2,327,784
Total liabilities	\$ 830,762,757	\$ 825,836,476
<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	73,301,036	73,752,003
Total shareholders' equity	81,686,628	82,137,595
<b>TOTAL</b>	<b>\$ 912,449,385</b>	<b>\$ 907,974,071</b>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF INCOME (Unaudited)**  
**Three Months Ended January 31, 2010**  
**(Expressed in Bahamian dollars)**

	<b>Three Months Ended January 31, 2010</b>	<b>Three Months Ended January 31, 2009</b>
<b>INCOME</b>		
Net interest income	\$ 6,686,466	\$ 7,148,720
Provision for credit losses net	<u>(4,906,255)</u>	<u>(5,374,808)</u>
<b>Net interest income after provision for credit losses</b>	1,780,211	1,773,912
Fees and commissions	<u>851,326</u>	<u>904,183</u>
<b>Total income</b>	<u>2,631,537</u>	<u>2,678,095</u>
<b>NON-INTEREST EXPENSES</b>		
Total non-interest expenses	<u>3,082,504</u>	<u>3,045,854</u>
<b>NET LOSS</b>	<u><b>\$ (450,967)</b></u>	<u><b>\$ (367,759)</b></u>
<b>LOSS PER SHARE</b>	<u><b>\$ (0.02)</b></u>	<u><b>\$ (0.01)</b></u>

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

	<b>Share Capital</b>	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at October 31, 2008</b>	\$5,333,334	2,552,258	500,000	83,056,040	91,441,632
Net loss for the period				(367,759)	(367,759)
Dividends				(3,466,667)	(3,466,667)
<b>Balance at January 31, 2009</b>	<u>\$5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>79,221,614</u>	<u>87,607,206</u>
<b>Balance at October 31, 2009</b>	\$5,333,334	2,552,258	500,000	73,752,003	82,137,595
Net loss for the period				(450,967)	(450,967)
<b>Balance at January 31, 2010</b>	<u>\$5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>73,301,036</u>	<u>81,686,628</u>

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

	<b>January 31, 2010</b>	<b>January 31, 2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit	\$ (450,967)	\$ (367,759)
Adjustments for:		
Depreciation	134,721	147,169
Provision for credit losses	4,906,255	5,374,808
Loss on disposal of fixed assets	<u>-</u>	<u>-</u>
	4,590,009	5,154,218
Changes in operating assets and liabilities	(2,400,492)	(1,722,835)
Increase in loans and advances, net	(18,160,799)	(21,590,845)
Increase in deposits	<u>4,890,786</u>	<u>53,196,010</u>
Net cash from operating activities	<u>(11,080,496)</u>	<u>35,036,548</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(871)	(41,844)
Net (purchase) proceeds of investments	<u>(2,726,358)</u>	<u>756,916</u>
Net cash from investing activities	<u>(2,727,229)</u>	<u>715,072</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	<u>-</u>	<u>(866,667)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(13,807,725)	34,884,953
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<u>45,330,690</u>	<u>28,028,462</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<u>\$ 31,522,965</u>	<u>\$ 62,913,415</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**Three Months Ended January 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.