

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

<b>ASSETS</b>	<b>January 31, 2014</b>	<b>October 31, 2013</b>
Cash and cash equivalents	\$ 45,768,234	\$ 47,691,909
Balance with The Central Bank of The Bahamas	49,845,804	42,381,412
Loans and advances to customers	869,936,930	865,233,609
Investment securities	40,434,864	40,383,566
Premises and equipment	954,874	1,023,660
Other assets	<u>286,967</u>	<u>506,154</u>
<b>TOTAL</b>	<b><u>\$ 1,007,227,673</u></b>	<b><u>\$ 997,220,310</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer deposits	\$ 765,776,368	\$ 759,176,935
Due to affiliated companies	78,244,156	77,218,701
Other liabilities	<u>5,359,628</u>	<u>7,059,618</u>
Total liabilities	<u>\$ 849,380,152</u>	<u>\$ 843,455,254</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5,333,334	5,333,334
Share premium	2,552,258	2,552,258
Reserves	500,000	500,000
Retained earnings	<u>149,461,929</u>	<u>145,379,464</u>
Total shareholders' equity	<u>157,847,521</u>	<u>153,765,056</u>
<b>TOTAL</b>	<b><u>\$ 1,007,227,673</u></b>	<b><u>\$ 997,220,310</u></b>

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

	<b>Three Months Ended January 31, 2014</b>	<b>Three Months Ended January 31, 2013</b>
Interest income	\$ 16,980,767	\$ 16,587,942
Interest expense	<u>(5,072,433)</u>	<u>(5,449,959)</u>
<b>Net interest income</b>	11,908,334	11,137,983
Non-interest income	<u>1,026,566</u>	<u>924,256</u>
<b>Total income</b>	12,934,900	12,062,239
Non-interest expense	(3,220,605)	(2,881,999)
Impairment losses on loans and advances	<u>(2,965,163)</u>	<u>(2,233,491)</u>
<b>Total net and comprehensive income for the period</b>	<u><b>\$ 6,749,132</b></u>	<u><b>\$ 6,946,749</b></u>
Earnings per share	<u>0.25</u>	<u>0.26</u>

**FINANCE CORPORATION OF BAHAMAS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**Three Months Ended January 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	-	-	-	6,946,749	6,946,749
Dividends	-	-	-	(2,666,667)	(2,666,667)
<b>Balance at January 31, 2013</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>125,967,574</u>	<u>134,353,166</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	-	-	-	6,749,132	6,749,132
Dividends	-	-	-	(2,666,667)	(2,666,667)
<b>Balance at January 31, 2014</b>	<u>5,333,334</u>	<u>2,552,258</u>	<u>500,000</u>	<u>149,461,929</u>	<u>157,847,521</u>

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

	<b>January 31, 2014</b>	<b>January 31, 2013</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 6,749,132	\$ 6,946,749
Adjustments for:		
Impairment losses on loans and advances to customers	2,965,163	2,233,491
Depreciation and amortization of tangible assets	68,786	75,978
Loss on disposal of premises and equipment	<u>-</u>	<u>-</u>
	9,783,081	9,256,218
<b>(INCREASE)/DECREASE IN OPERATING ASSETS</b>		
Balances with Central Bank	(7,464,392)	(463,221)
Loans and advances to customers	(7,668,484)	(5,716,138)
Other assets	219,187	(1,040,385)
<b>INCREASE/(DECREASE) IN OPERATING ASSETS</b>		
Affiliated companies	1,025,455	15,171,826
Customers' deposits	6,599,433	(3,541,735)
Other liabilities	<u>(1,699,990)</u>	<u>(397,021)</u>
<b>Cash from operating activities</b>	<u>794,290</u>	<u>13,269,544</u>
<b>INVESTING ACTIVITIES</b>		
Net movement in investment securities	<u>(51,298)</u>	<u>(51,535)</u>
<b>Cash from investing activities</b>	<u>(51,298)</u>	<u>(51,535)</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	<u>(2,666,667)</u>	<u>(666,667)</u>
	<u>(2,666,667)</u>	<u>(666,667)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,923,675)	12,551,342
<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>\$ 45,768,234</u>	<u>\$ 50,128,436</u>

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

**2. CAPITAL ACTIVITY**

On December 18, 2013 the Board of Directors declared a dividend of \$0.10 per share which was paid on January 14, 2014 to shareholders of record as at January 7, 2014.



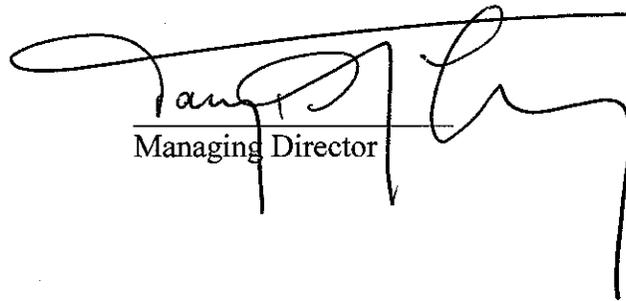
**FINANCE CORPORATION OF BAHAMAS LIMITED**

**Chairman's review of the unaudited results  
For the three months ended January 31, 2014**

We wish to report that the Bank's net profit for the three months ended January 31, 2014 was \$6.7 million which represents a decrease of 2.84% when compared to the corresponding period for 2013. This decrease is a result of higher operating costs and provisions which were partially offset by increases in gross revenues.

Loan volumes increased by 2.4% over the previous year, and non-performing loans remain relatively high. The Bank's capital ratio, which is comprised mainly of Tier 1 capital, remains strong at 26.16% and is above regulatory requirements.

  
Chairman

  
Managing Director