

Fidelity Bank (Bahamas) Limited
(Incorporated under the laws of the Commonwealth of The Bahamas)

Consolidated Statement of Financial Position (Unaudited)
As of 30 September 2017
(Expressed in Bahamian dollars)

	2017	2016
	\$	\$
ASSETS		
Cash on hand and at banks	115,868,960	75,219,924
Investment securities	78,050,665	77,129,401
Loans and advances to customers	395,634,565	386,803,562
Other assets	8,586,370	3,161,364
Investments in joint ventures	12,570,960	10,937,162
Property, plant and equipment	10,845,780	10,957,537
	<u>621,557,300</u>	<u>564,208,950</u>
Total assets		
LIABILITIES		
Deposits from customers	478,883,797	430,883,092
Accrued expenses and other liabilities	827,254	870,908
Debt securities	49,866,329	48,892,530
	<u>529,577,380</u>	<u>480,646,530</u>
Total liabilities		
EQUITY		
Capital – ordinary shares	20,333,243	20,333,243
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	372,088	392,251
Reserve for credit losses	3,949,319	3,855,116
Retained earnings	52,325,270	43,981,810
	<u>91,979,920</u>	<u>83,562,420</u>
Total equity		
Total liabilities and equity	<u>621,557,300</u>	<u>564,208,950</u>

Consolidated Statement of Comprehensive Income (Unaudited)
For the Nine Months Ended 30 September 2017
(Expressed in Bahamian dollars)

	<u>3 Months Ended</u>	<u>9 Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2017</u>	<u>2017</u>	<u>2016</u>
	\$	\$	\$
INCOME			
Interest income			
Bank deposits, loans and advances	14,730,528	42,886,069	40,686,973
Investment securities	916,446	2,619,913	2,301,309
	<u>15,646,974</u>	<u>45,505,982</u>	<u>42,988,282</u>
Interest expense	(3,905,194)	(11,397,556)	(10,870,725)
Net interest income	11,741,780	34,108,426	32,175,557
Fees and commissions	685,879	2,072,819	1,996,846
Rental income	20,157	60,469	60,469
Other income	190,617	577,998	616,691
Total income	12,638,433	36,819,712	34,791,563
EXPENSES			
General and administrative	2,709,694	7,929,559	6,960,136
Salaries and employee benefits	2,601,507	7,285,318	7,317,094
Provision for loan losses	1,931,557	6,060,650	5,419,749
Depreciation and amortisation	345,724	1,078,337	1,194,102
Total expenses	7,588,482	22,353,864	20,891,081
Operating profit	5,049,951	14,465,848	13,900,482
Share of profits of joint ventures	224,037	1,652,224	1,956,189
Net income	5,273,988	16,118,072	15,856,671
OTHER COMPREHENSIVE INCOME			
<i>Items not reclassified to net income</i>			
Property, plant and equipment revaluation	-	-	-
Total comprehensive income	5,273,988	16,118,072	15,856,671
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Weighted average number of ordinary shares outstanding	28,798,789	28,793,927	28,775,932
Earnings per share	0.16	0.56	0.55

Consolidated Statement of Changes in Equity (Unaudited)
For the Nine Months Ended 30 September 2017
(Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Capital – Preference Shares \$	Revaluation Reserve \$	Reserve for Credit Losses \$	Retained Earnings \$	Total \$
As of 1 January 2017	<u>20,333,243</u>	<u>15,000,000</u>	<u>392,251</u>	<u>3,855,116</u>	<u>43,981,810</u>	<u>83,562,420</u>
Comprehensive income						
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,118,072</u>	<u>16,118,072</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,118,072</u>	<u>16,118,072</u>
Transfers						
Depreciation transfer	<u>-</u>	<u>-</u>	<u>(20,163)</u>	<u>-</u>	<u>20,163</u>	<u>-</u>
Appropriation for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,203</u>	<u>(94,203)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(20,163)</u>	<u>94,203</u>	<u>(74,040)</u>	<u>-</u>
Transactions with owners						
Dividends – preference shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(483,904)</u>	<u>(483,904)</u>
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,216,668)</u>	<u>(7,216,668)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,700,572)</u>	<u>(7,700,572)</u>
As of 30 September 2017	<u>20,333,243</u>	<u>15,000,000</u>	<u>372,088</u>	<u>3,949,319</u>	<u>52,325,270</u>	<u>91,979,920</u>
Dividends per share	<u>0.25</u>	<u>0.32</u>				

Consolidated Statement of Changes in Equity (Unaudited)
For the Year Ended 31 December 2016
(Expressed in Bahamian dollars)

	Capital – Ordinary Shares \$	Capital – Preference Shares \$	Revaluation Reserve \$	Reserve for Credit Losses \$	Retained Earnings \$	Total \$
As of 1 January 2016	20,241,119	15,000,000	875,780	3,647,593	34,998,204	74,762,696
Comprehensive income						
Net income	-	-	-	-	21,687,965	21,687,965
<i>Other comprehensive income</i>						
Property, plant and equipment revaluation	-	-	(456,645)	-	-	(456,645)
Total comprehensive income	-	-	(456,645)	-	21,687,965	21,231,320
Transfers						
Depreciation transfer	-	-	(26,884)	-	26,884	-
Appropriation for credit losses	-	-	-	207,523	(207,523)	-
Total transfers	-	-	(26,884)	207,523	(180,639)	-
Transactions with owners						
Issuance of ordinary shares	92,124	-	-	-	75,826	167,950
Dividends – preference shares	-	-	-	-	(1,052,877)	(1,052,877)
Dividends – ordinary shares	-	-	-	-	(11,546,669)	(11,546,669)
Total transactions with owners	92,124	-	-	-	(12,523,720)	(12,431,596)
As of 31 December 2016	20,333,243	15,000,000	392,251	3,855,116	43,981,810	83,562,420
Dividends per share	0.40	0.70				

**Notes to the Consolidated Financial Statements (Unaudited)
For the Nine Months Ended 30 September 2017
(Expressed in Bahamian dollars)**

Capital Management

The objectives of Fidelity Bank (Bahamas) Limited (the Bank) when managing capital, which comprises total equity on the face of the consolidated statement of financial position, are:

- To comply with the capital requirements set by the Central Bank of The Bahamas (the Central Bank).
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques designed to ensure compliance with guidelines established by the Central Bank, including quantitative and qualitative measures. The required information is filed with the Central Bank on a quarterly basis.

The Central Bank, the Bank's principal regulator, requires that the Bank maintains a ratio of total regulatory capital to risk-weighted assets at or above a minimum of 14.00%. For the nine months ended 30 September 2017 and the year ended 31 December 2016, the Bank complied with all of the externally imposed capital requirements to which it is subject.