

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

Consolidated Statement of Financial Position (Unaudited)
As of 31 December 2017
(Expressed in Bahamian dollars)

	2017	2016
	\$	\$
ASSETS		
Cash on hand and at banks	105,981,671	75,219,924
Investment securities	88,532,281	77,129,401
Loans and advances to customers	409,145,150	386,803,562
Other assets	3,402,895	3,161,364
Investments in joint ventures	13,046,833	10,937,162
Property, plant and equipment	10,922,222	10,957,537
Total assets	<u>631,031,052</u>	<u>564,208,950</u>
LIABILITIES		
Deposits from customers	496,442,195	430,883,092
Accrued expenses and other liabilities	1,004,008	870,908
Debt securities	43,932,963	48,892,530
Total liabilities	<u>541,379,166</u>	<u>480,646,530</u>
EQUITY		
Capital – ordinary shares	20,363,328	20,333,243
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	365,367	392,251
Reserve for credit losses	4,090,372	3,855,116
Retained earnings	49,832,819	43,981,810
Total equity	<u>89,651,886</u>	<u>83,562,420</u>
Total liabilities and equity	<u>631,031,052</u>	<u>564,208,950</u>

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Comprehensive Income (Unaudited) For the Twelve Months Ended 31 December 2017 (Expressed in Bahamian dollars)

	3 Months Ended	12 Months Ended	
	31 December	31 December	31 December
	2017	2017	2016
	\$	\$	\$
INCOME			
Interest income			
Bank deposits, loans and advances	14,723,761	57,609,830	56,237,192
Investment securities	843,919	3,463,832	3,147,017
	15,567,680	61,073,662	59,384,209
Interest expense	(3,433,234)	(14,830,790)	(14,640,553)
Net interest income	12,134,446	46,242,872	44,743,656
Fees and commissions	748,709	2,821,528	2,676,115
Rental income	20,156	80,625	80,625
Other income	147,872	725,870	342,121
Total income	13,051,183	49,870,895	47,842,517
EXPENSES			
General and administrative	2,797,209	10,726,768	8,802,541
Salaries and employee benefits	2,973,384	10,258,702	9,885,776
Provision for loan losses	2,149,944	8,210,594	7,987,132
Depreciation and amortisation	354,204	1,432,541	1,584,052
Total expenses	8,274,741	30,628,605	28,259,501
Operating profit	4,776,442	19,242,290	19,583,016
Share of profits of joint ventures	494,297	2,146,521	2,104,949
Net income	5,270,739	21,388,811	21,687,965
OTHER COMPREHENSIVE INCOME			
<i>Items not reclassified to net income</i>			
Property, plant and equipment revaluation	-	-	(456,645)
Total comprehensive income	5,270,739	21,388,811	21,231,320
Weighted average number of ordinary shares outstanding	28,798,789	28,795,142	28,776,198
Earnings per share	0.17	0.71	0.72

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Twelve Months Ended 31 December 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>21,388,811</u>	<u>21,388,811</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,388,811</u>	<u>21,388,811</u>
Transfers						
Depreciation transfer	-	-	(26,884)	-	26,884	-
Appropriation for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,256</u>	<u>(235,256)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(26,884)</u>	<u>235,256</u>	<u>(208,372)</u>	<u>-</u>
Transactions with owners						
Issuance of ordinary shares	30,085	-	-	-	79,315	109,400
Dividends – preference shares	-	-	-	-	(975,410)	(975,410)
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,433,335)</u>	<u>(14,433,335)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,329,430)</u>	<u>(15,229,345)</u>
As of 31 December 2017	<u>20,363,328</u>	<u>15,000,000</u>	<u>365,367</u>	<u>4,090,372</u>	<u>49,832,819</u>	<u>89,651,886</u>
Dividends per share	<u>0.50</u>	<u>0.65</u>				

Fidelity Bank (Bahamas) Limited

Consolidated Statement of Changes in Equity (Unaudited) For the Twelve Months 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	<u>20,241,119</u>	<u>15,000,000</u>	<u>875,780</u>	<u>3,647,593</u>	<u>34,998,204</u>	<u>74,762,696</u>
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	<u>-</u>	<u>-</u>	<u>(456,645)</u>	<u>-</u>	<u>21,687,965</u>	<u>21,231,320</u>
Transfers						
Depreciation transfer	-	-	(26,884)	-	26,884	-
Appropriation for credit losses	-	-	-	207,523	(207,523)	-
Total transfers	<u>-</u>	<u>-</u>	<u>(26,884)</u>	<u>207,523</u>	<u>(180,639)</u>	<u>-</u>
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	<u>92,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,523,720)</u>	<u>(12,431,596)</u>
As of 31 December 2016	<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>
Dividends per share	<u>0.40</u>	<u>0.70</u>				

Fidelity Bank (Bahamas) Limited

Notes to the Consolidated Financial Statements (Unaudited) For the Twelve Months Ended 31 December 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 twelve months ended 31 December 2017 and 2016, the Bank complied with all of the externally imposed capital requirements to which it is subject.