Finance Corporation of the Bahamas (FIN)

Company Review – Q2 End April 30, 2022

Key Ratios & Statistics
Sector: Banking

	Q2 2022	Q1 2022
Symbol	FIN	FIN
Current Price	$10.00	$8.35
Market Capitalization	$266.67	$222.67
Shares Outstanding (millions)	26.666	26.666
Financials [in millions]	**Q2 2022**	**Q2 2021**
Interest Income	$9.68	$9.62
Interest Expense	$1.35	$1.76
Net Interest Income	$8.33	$7.86
Non Interest Income	$0.55	$0.58
Total Income	$8.88	$8.44
Non Interest Expenses	$3.37	$3.48
Credit Reversal (Losses)	$5.18	$1.36
Net Income	$10.69	$6.31
Total Assets	$726.00	$755.70
Total Equity	$259.67	$223.31
Profit Margins	**Q2 2022**	**Q2 2021**
Net Interest Margin	86.09%	81.72%
Efficiency Ratio	37.95%	41.28%
Net Profit Margin	104.55%	61.89%
ROAA	6.26%	2.24%
ROAE	19.19%	8.12%
Asset/Capital Ratios	**Q2 2022**	**Q2 2021**
Cash to Total Assets	8.9%	9.4%
Loans to Total Assets	86.3%	85.1%
Cash to Deposits	21.0%	19.8%
Loans to Deposits	204.1%	178.5%
Per Share Data	**Q2 2022**	**Q2 2021**
Market Price	$10.00	$8.35
Book value	$9.74	$8.37
Operating cash flow	N/A	N/A
Earnings TTM	$1.74	$0.66
Dividend TTM	$0.37	$0.40
Value Measures (TTM)	**Q2 2022**	**Q2 2021**
Price to book ratio	1.03X	1.00X
Price to operating cash flow	N/A	N/A
Price to earnings	5.75X	12.63X
Dividend Yield	3.75%	4.79%
Capital Appreciation	19.76%	-6.91%

EARNINGS REPORT Q2 2022

Key Performance Highlights:

⇒ Net Interest Income rose by 5.97% to $8.33m from $7.86m in Q2 2022.

⇒ Net Income rose by 69.29% to $10.69m from $6.31m in Q2 2022.

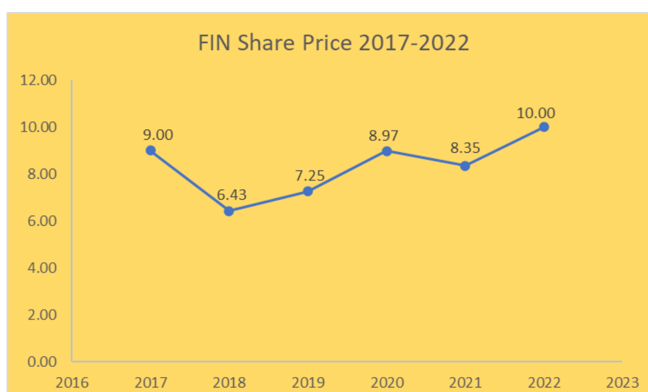
⇒ Credit loss reversal rose to $5.18m from $1.36m in Q2 2022.

FIN continues to recover from the pandemic and recorded a very respectable quarter overall. YoY, interest income rose slightly but nothing of major significance. More encouraging was a major increase in the net profit margin, which rose by 69.29%, despite only a 5.97% increase in net interest income. However, this large increase is mainly the result of a $5.18m credit reversal recorded in Q2 2022. This accounts for nearly the entire discrepancy in net income from Q2 2021 to Q2 2022. Nevertheless, without taking into account any credit losses or reversals, net income still rose 11.11% from Q2 2021, a positive sign for the company. ROA and ROE both also rose significantly as a result of the increased earnings.

Most of the asset/capital ratios were all comparable to last year, representing no major changes in the firms capital structure. However, there was a large increase in the loans to deposits ratio, as deposits decreased much more than loans from Q2 2021.

Efficiency ratio decreased slightly, signifying a better handling of the expenses, a positive sign.

The P/E ratio has decreased significantly despite stock price increasing, as a result of increased earnings. P/B ratio increased slightly from Q2 2021. The stock seems to be priced attractively given the low P/E multiple and attractive dividend yield.



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