

SCOTIABANK (TURKS AND CAICOS) LTD.

Financial information

October 31, 2022

Board of Directors:

Mr. Roger Archer – Director / Chairman

Mrs. Beth Nottage – Director / Company Secretary

Ms. Suzan Snaggs-Wilson – Director

Ms. Patricia Adams – Director



Independent auditor's report

To the Shareholder of Scotiabank (Turks and Caicos) Ltd

Our opinion

In our opinion, the financial information of Scotiabank (Turks and Caicos) Ltd (the Bank) as at October 31, 2022, is prepared, in all material respects, in accordance with the basis of accounting as set out in note 1 to the financial information.

What we have audited

The Bank's financial information comprises:

- the statement of financial position as at October 31, 2022;
- the statement of profit or loss for the year then ended;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial information* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting and restriction on use

We draw attention to Note 1 to the financial information, which describes the basis of accounting. The financial information is prepared to comply with the requirements of the Bank's regulator. As a result, the financial information may not be suitable for another purpose.

Our report is intended solely for the Bank and the Regulator and should not be used by parties other than the Bank. The financial information does not comprise a full set of financial statements prepared in accordance with International Financial Reporting Standards.

Our opinion is not modified in respect of this matter.

The Bank has prepared a separate set of financial statements for the year ended October 31, 2022 in accordance with International Financial Reporting Standards, on which we issued a separate auditor's report to the shareholder of the Bank dated January 31, 2023.

Responsibilities of management for the financial information

Management is responsible for the preparation of this financial information in accordance with the basis of accounting as set out in note 1 to the financial information and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Date: January 31, 2023

SCOTLABANK (TURKS AND CAICOS) LTD.
Statement of Financial Position

At October 31, 2022
with comparative figures at October 31, 2021

	2022	2021
	US\$'000	US\$'000
ASSETS		
Cash and cash equivalents	56,216	73,398
Short-term investments	332,800	280,000
Loans and advances to customers, net	255,639	260,662
Other assets	174	261
Property and equipment	6,072	6,534
	650,901	620,855
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Deposits from banks	7	9
Deposits from customers	521,057	500,453
Other liabilities	15,441	14,964
	536,505	515,426
Shareholder's Equity		
Share capital	20,000	20,000
Capital reserves	7,120	7,120
Loan loss reserve	2,539	2,539
Retained earnings	84,737	75,770
	114,396	105,429
	650,901	620,855

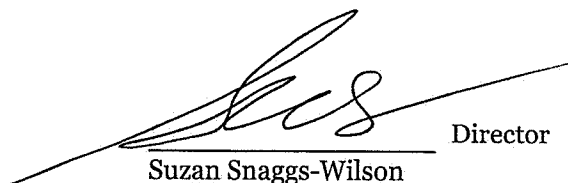
The accompanying note is an integral part of this financial information.

This financial information is approved for issuance on behalf of the Board of Directors on January 30, 2023 by the following:



Patricia Adams

Director



Suzan Snaggs-Wilson

Director

SCOTIABANK (TURKS AND CAICOS) LTD.

Statement of Profit or Loss

Year ended October 31, 2022

with comparative figures for year ended October 31, 2021

	2022	2021
	US\$'000	US\$'000
Income		
Net interest income		
Interest income	16,687	14,880
Interest expense	(335)	(606)
	16,352	14,274
Other income		
Fee and commission income	15,890	11,781
Net interest and other income	32,242	26,055
Expenses		
Other operating expenses	(13,555)	(10,906)
Expected credit loss allowance, net of recoveries	(2,347)	(836)
Salaries and benefits	(4,099)	(3,599)
Property expenses	(1,584)	(846)
Communication and marketing	(846)	(755)
Depreciation	(844)	(788)
	(23,275)	(17,730)
Net profit for year	8,967	8,325

The accompanying note is an integral part of this financial information.