

FIRST CARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED
TURKS AND CAICOS BRANCH

Audited Special Purpose Financial Statements
Year ended October 31, 2022
with Independent Auditor's Report

Independent Auditor's Report

The Shareholders and Directors
FirstCaribbean International Bank (Bahamas) Limited (the Bank)

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the special purpose financial statements of FirstCaribbean International Bank (Bahamas) Limited – Turks and Caicos Branch (the Branch) which comprise the statement of financial position as at October 31, 2022, and the statement of income, statement of comprehensive income, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Branch as at October 31, 2022, and its financial performance for the year then ended in accordance with International Financial Reporting Standards.

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 special purpose financial statements* section of our report. We are independent of the Branch in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on use

We draw attention to Note 2.1 to the special purpose financial statements, which describes the basis of accounting. These special purpose financial statements are prepared to comply with the financial reporting requirements of the Turks and Caicos Islands Financial Services Commission (the Commission). As a result, the special purpose financial statements may not be suitable for another purpose. Our auditor's report is intended solely for the information and use of the Bank and the Commission and should not be used for any other purpose or by parties other than the Bank or Commission. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the framework described in Note 2.1 to the special purpose financial statements, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are 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 these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, 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 Branch'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 Branch'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 special purpose financial statements 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 Branch to cease to continue as a going concern.

We communicate with the management and the Board of Directors 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.

Ernst + Young Ltd.

January 25, 2023

**FIRST CARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED
TURKS AND CAICOS BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31**

(Expressed in thousands of United States dollars)

	Notes	2022 \$	2021 \$
ASSETS			
Cash		6,743	12,208
Due from banks	3	1,098,867	919,318
Other assets	4	4,501	3,169
Securities	5	23,914	24,000
Loans and advances to customers	6	272,097	280,787
Property and equipment	7	9,464	7,830
Total assets		<u>1,415,586</u>	<u>1,247,312</u>
LIABILITIES			
Customer deposits	8	1,164,773	973,307
Other liabilities	9	139,144	168,104
Retirement benefit obligations	10	2,408	6,349
Total liabilities		<u>1,306,325</u>	<u>1,147,760</u>
EQUITY			
Assigned capital	11	24,000	24,000
Reserves	11	67,946	58,858
Retained earnings		17,315	16,694
Total equity		<u>109,261</u>	<u>99,552</u>
Total liabilities and equity		<u>1,415,586</u>	<u>1,247,312</u>

The accompanying notes are an integral part of the special purpose financial statements.

Approved by the Board of Directors on January 24, 2023, and signed on its behalf by:



Director



Director

**FIRST CARIBBEAN INTERNATIONAL BANK (BAHAMAS) LIMITED
TURKS AND CAICOS BRANCH**

**STATEMENT OF INCOME
FOR THE YEAR ENDED OCTOBER 31
(Expressed in thousands of United States dollars)**

	Notes	2022 \$	2021 \$
Interest and similar income		27,660	16,930
Interest and similar expense		1,133	708
		<hr/>	<hr/>
Net interest income	12	26,527	16,222
Operating income	13	13,796	11,077
		<hr/>	<hr/>
		40,323	27,299
		<hr/>	<hr/>
Operating expenses	14	19,924	17,442
Credit loss expense/(release) on financial assets	5,6	1,153	(8,769)
		<hr/>	<hr/>
		21,077	8,673
		<hr/>	<hr/>
Net income for the year		19,246	18,626

The accompanying notes are an integral part of the special purpose financial statements.