

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

Audited Special Purpose Financial Statements  
Year ended October 31, 2020  
with Independent Auditor's Report

## Independent Auditor's Report

The Shareholders and Directors  
FirstCaribbean International Bank (Bahamas) Limited

### 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, 2020, 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, 2020, and its financial performance for the year then ended in accordance with the framework described in Note 2.1 to the special purpose financial statements.

#### 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 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

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. As a result, the special purpose financial statements may not be suitable for another purpose. 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 is responsible for overseeing the Branch's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated 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 27, 2021

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

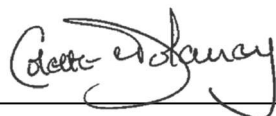
**STATEMENT OF FINANCIAL POSITION  
AS AT OCTOBER 31**

(Expressed in thousands of United States dollars)

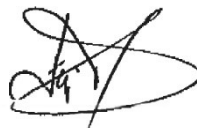
|                                     | Notes | 2020<br>\$     | 2019<br>\$     |
|-------------------------------------|-------|----------------|----------------|
| <b>ASSETS</b>                       |       |                |                |
| Cash                                |       | 9,153          | 9,311          |
| Due from banks                      | 3     | 651,200        | 691,435        |
| Other assets                        | 4     | 3,660          | 5,549          |
| Securities                          | 5     | 23,998         | 23,974         |
| Loans and advances to customers     | 6     | 277,771        | 262,740        |
| Property and equipment              | 7     | 7,683          | 6,357          |
| <b>Total assets</b>                 |       | <b>973,465</b> | <b>999,366</b> |
| <b>LIABILITIES</b>                  |       |                |                |
| Customer deposits                   | 8     | 683,600        | 727,168        |
| Other liabilities                   | 9     | 202,142        | 164,442        |
| Retirement benefit obligations      | 10    | 8,275          | 6,922          |
| <b>Total liabilities</b>            |       | <b>894,017</b> | <b>898,532</b> |
| <b>EQUITY</b>                       |       |                |                |
| Assigned capital                    | 11    | 24,000         | 24,000         |
| Reserves                            | 11    | 56,204         | 49,745         |
| Retained (deficit)/earnings         |       | (756)          | 27,089         |
| <b>Total equity</b>                 |       | <b>79,448</b>  | <b>100,834</b> |
| <b>Total liabilities and equity</b> |       | <b>973,465</b> | <b>999,366</b> |

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

Approved by the Board of Directors on January 26, 2021, 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 | 2020<br>\$   | 2019<br>\$    |
|--|-------|--------------|---------------|
| Interest and similar income                      |       | 23,293       | 35,042        |
| Interest and similar expense                     |       | 1,108        | 2,484         |
|  |       | <hr/>        | <hr/>         |
| Net interest income                              | 12    | 22,185       | 32,558        |
| Operating income                                 | 13    | 10,009       | 11,210        |
|  |       | <hr/>        | <hr/>         |
|  |       | 32,194       | 43,768        |
|  |       | <hr/>        | <hr/>         |
| Operating expenses                               | 14    | 18,716       | 18,034        |
| Credit loss expense/(credit) on financial assets | 5, 6  | 12,303       | (3,286)       |
|  |       | <hr/>        | <hr/>         |
|  |       | 31,019       | 14,748        |
|  |       | <hr/>        | <hr/>         |
| <b>Net income for the year</b>                   |       | <b>1,175</b> | <b>29,020</b> |

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

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

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

|  | Notes | 2020<br>\$   | 2019<br>\$     |
|--|-------|--------------|----------------|
| Net income for the year  |       | 1,175        | 29,020         |
| <b>Other comprehensive income to be reclassified to net income or loss in subsequent periods:</b>      |       |              |                |
| Net gains on debt securities at fair value through OCI   | 11    | 9            | -              |
| <i>Net other comprehensive income to be reclassified to net income or loss in subsequent periods</i>   |       | <u>9</u>     | <u>-</u>       |
| <b>Other comprehensive loss not to be reclassified to net income or loss in subsequent periods:</b>    |       |              |                |
| Re-measurement losses on retirement benefit plans  | 10    | (805)        | (3,140)        |
| <i>Net other comprehensive loss not to be reclassified to net income or loss in subsequent periods</i> |       | <u>(805)</u> | <u>(3,140)</u> |
| Other comprehensive loss for the year  |       | <u>(796)</u> | <u>(3,140)</u> |
| <b>Total comprehensive income for the year</b>   |       | <u>379</u>   | <u>25,880</u>  |

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