

**RBC ROYAL BANK (BAHAMAS) LIMITED
– TURKS & CAICOS BRANCH**

**Financial Statements
October 31, 2022**



Independent auditors' report

To the Board of Directors of RBC Royal Bank (Bahamas) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RBC Royal Bank (Bahamas) Limited – Turks & Caicos Branch (the Bank) as at October 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at October 31, 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 *Auditors' responsibilities for the audit of the financial statements* 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management for the financial statements and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.



Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Other matter

This report, including the opinion, has been prepared for and only for the Board of Directors in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants
Nassau, Bahamas

January 31, 2023

RBC Royal Bank (Bahamas) Limited – Turks & Caicos Branch

Statement of Financial Position

As at October 31, 2022

Expressed in United States Dollars

	Notes	2022 \$	2021 \$
Assets			
Cash and cash equivalents	3	143,896,341	105,503,473
Loans and advances to customers	4	130,852,840	138,443,640
Premises and equipment	5	1,364,603	1,405,286
Other assets		5,216,274	3,653,518
Total Assets		<u>281,330,058</u>	<u>249,005,917</u>
Liabilities			
Customer deposits	6	151,381,374	127,830,234
Due to affiliated companies	7	80,785,391	80,414,369
Other liabilities	8	1,414,232	2,910,267
Total Liabilities		<u>233,580,997</u>	<u>211,154,870</u>
Equity			
Assigned capital	10	15,000,000	15,000,000
Reserve	10	6,302,269	4,966,307
Retained earnings		26,446,792	17,884,740
Total Equity		<u>47,749,061</u>	<u>37,851,047</u>
Total Equity and Liabilities		<u>281,330,058</u>	<u>249,005,917</u>

On January 13, 2023 the Board of Directors of RBC Royal Bank (Bahamas) Limited authorized these financial statements for issue.

LASONYA MISSICK

Director

LIACARLA ADDERLEY

Director

The accompanying notes are an integral part of these financial statements.

RBC Royal Bank (Bahamas) Limited – Turks & Caicos Branch

Statement of Comprehensive Income For the Year Ended October 31, 2022 Expressed in United States Dollars

	Notes	2022 \$	2021 \$
Income			
Interest income	11	7,607,289	6,789,181
Interest expense	12	<u>(1,365,791)</u>	<u>(396,510)</u>
Net interest income		6,241,498	6,392,671
Non-interest income	13	<u>1,531,146</u>	<u>1,058,587</u>
Total Income		7,772,644	7,451,258
Non-interest expenses	14	(3,034,263)	(2,819,809)
Release of credit losses on off balance sheet items		2	39
Release of credit losses on loans and advances	4	<u>5,159,631</u>	<u>712,360</u>
Net Income and Total Comprehensive Income		<u>9,898,014</u>	<u>5,343,848</u>

The accompanying notes are an integral part of these financial statements.