

TURKS AND CAICOS BANKING COMPANY LIMITED

**Financial Information
For the Year Ended 31st December 2021**

Board of Directors:

Anders R. Seim – Director / Chairman – Non Executive
Anton J. B. Faessler – Director – Non Executive
Stewart Humphrey – Director – Non Executive
Angus MacLennan – Director – Non Executive
David J. Bee – Director / CEO
Peter A. Savory – Company Secretary

Independent auditor's report

To the Shareholder of Turks and Caicos Banking Company Limited

Report on the audit of the financial information

Our opinion

In our opinion, the financial information of Turks and Caicos Banking Company Limited (the Bank) as at December 31, 2021, 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 of the Bank as at December 31, 2021; and
- the statement of comprehensive income 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 as named. 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 December 31, 2021 in accordance with International Financial Reporting Standards, on which we issued a separate auditor's report to the shareholder of the Bank dated March 31, 2022.

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's 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 judgement 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: March 31, 2022

Turks and Caicos Banking Company Limited

Statement of Financial Position

As at 31st December 2021

(Expressed in United States Dollars)

	2021 \$	2020 \$
ASSETS		
Cash and deposits with banks	72,012,602	41,053,128
Investments	5,101,326	9,215,149
Loans and advances, net of impairment	46,239,773	36,778,748
Other current assets	171,929	94,915
Property, plant & equipment	3,354,363	3,365,503
	<u>126,879,993</u>	<u>90,507,443</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Due to customers	109,798,219	74,034,292
Other liabilities	174,867	117,074
	<u>109,973,086</u>	<u>74,151,366</u>
Shareholder's Equity		
Share capital	12,000,000	11,000,000
Reserve fund	3,700,000	3,700,000
Property revaluation reserve	633,599	633,599
Loan loss reserve	100,957	100,957
Retained earnings	472,351	921,521
	<u>16,906,907</u>	<u>16,356,077</u>
	<u>126,879,993</u>	<u>90,507,443</u>

Approved for issuance on behalf of the Board of Directors of Turks and Caicos Banking Company Limited on March 22, 2022.



Director

The accompanying notes form an integral part of this financial information

Turks and Caicos Banking Company Limited

Statement of Comprehensive Income For the Year Ended 31st December 2021 (Expressed in United States Dollars)

	2021 \$	2020 \$
Interest Income/(Expense)		
Time deposits	4,962	87,292
Loans	2,094,817	1,740,106
Bonds	162,369	262,881
	<u>2,262,148</u>	<u>2,090,279</u>
Interest expense on customer deposits	(254,864)	(293,638)
Net Interest Income	<u>2,007,284</u>	<u>1,796,641</u>
Fee and Commission Income/(Expense)		
Fee and commission income	622,623	772,877
Fee and commission expense	(194,932)	(264,300)
Net Fee and Commission Income	<u>427,691</u>	<u>508,577</u>
Income from operations	2,434,975	2,305,218
Net gain from foreign exchange operations	46,814	44,670
Miscellaneous income	8,398	19,670
Operating expenses	(1,578,217)	(1,456,295)
Depreciation	(11,140)	(27,750)
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>900,830</u>	<u>885,513</u>

The accompanying notes form an integral part of this financial information