

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

**Financial Statements
October 31, 2023**



Independent auditors' report

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

Report on the audit of the financial information

Our opinion

In our opinion, the financial information of RBC Royal Bank (Bahamas) Limited – Turks & Caicos Branch (the Bank) as at October 31, 2023, is prepared, in all material respects, in accordance with the basis of preparation 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 October 31, 2023; 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 *Auditors' 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 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.

Emphasis of Matter - Basis of preparation

We draw attention to Note 1 to the financial information, which describes the basis of preparation. 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.

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.

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

Management is responsible for the preparation of this financial information in accordance with the basis of preparation 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.

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

Auditors' 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 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 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 auditors' 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 auditors' 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.



Other Matters

The Bank has prepared a separate set of financial statements for the year ended October 31, 2023 in accordance with International Financial Reporting Standards, on which we issued a separate auditors' report to the Board of Directors dated January 31, 2024.

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, 2024

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

Statement of Financial Position

As at October 31, 2023

Expressed in United States Dollars

	2023	2022
	\$	\$
Assets		
Cash and cash equivalents	135,898,455	143,896,341
Loans and advances to customers	119,962,506	130,852,840
Premises and equipment	1,321,693	1,364,603
Other assets	5,465,709	5,216,274
Total Assets	<u>262,648,363</u>	<u>281,330,058</u>
Liabilities		
Customer deposits	166,936,026	151,381,374
Due to affiliated companies	40,566,556	80,785,391
Other liabilities	1,508,432	1,414,232
Total Liabilities	<u>209,011,014</u>	<u>233,580,997</u>
Equity		
Assigned capital	15,000,000	15,000,000
Statutory Reserve	8,776,772	6,302,269
Retained earnings	29,860,577	26,446,792
Total Equity	<u>53,637,349</u>	<u>47,749,061</u>
Total Equity and Liabilities	<u>262,648,363</u>	<u>281,330,058</u>

On January 22, 2024 the Board of Directors of RBC Royal Bank (Bahamas) Limited authorized these financial statements for issue.

LASONYA MISSICK

Director

LIACARLA ADDERLEY

Director

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

Statement of Comprehensive Income For the Year Ended October 31, 2023 Expressed in United States Dollars

	2023	2022
	\$	\$
Income		
Interest income	11,184,143	7,607,289
Interest expense	<u>(3,546,362)</u>	<u>(1,365,791)</u>
Net interest income	7,637,781	6,241,498
Non-interest income	<u>1,448,651</u>	<u>1,531,146</u>
Total Income	9,086,432	7,772,644
Non-interest expenses	(3,118,038)	(3,034,263)
Release of provision for credit losses on other assets	8	2
Provision for credit losses on off balance sheet items	(3,925)	-
Provision for/(release of) credit losses on loans and advances	<u>(76,189)</u>	<u>5,159,631</u>
Net Income and Total Comprehensive Income	<u>5,888,288</u>	<u>9,898,014</u>

Note to Financial Information

1. Basis of preparation

The accompanying financial information is an extract from the financial statements of RBC Royal Bank (Bahamas) Limited – Turks & Caicos Branch as at October 31, 2023 and for the year then ended, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and is used to submit to the Turks & Caicos Islands Financial Services Commission.